

SENATE BILL NO. 1202

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HUDSON.

5493S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 137.010, 137.080, and 137.115, RSMo, and to enact in lieu thereof three new sections relating to the assessment of certain broadband communications equipment.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 137.010, 137.080, and 137.115, RSMo,
2 are repealed and three new sections enacted in lieu thereof, to
3 be known as sections 137.010, 137.080, and 137.115, to read as
4 follows:

137.010. The following words, terms and phrases when
2 used in laws governing taxation and revenue in the state of
3 Missouri shall have the meanings ascribed to them in this
4 section, except when the context clearly indicates a
5 different meaning:

6 (1) "Grain and other agricultural crops in an
7 unmanufactured condition" shall mean grains and feeds
8 including, but not limited to, soybeans, cow peas, wheat,
9 corn, oats, barley, kafir, rye, flax, grain sorghums,
10 cotton, and such other products as are usually stored in
11 grain and other elevators and on farms; but excluding such
12 grains and other agricultural crops after being processed
13 into products of such processing, when packaged or sacked.
14 The term "processing" shall not include hulling, cleaning,
15 drying, grating, or polishing;

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 (2) "Hydroelectric power generating equipment", very-
17 low-head turbine generators with a nameplate generating
18 capacity of at least four hundred kilowatts but not more
19 than six hundred kilowatts and machinery and equipment used
20 directly in the production, generation, conversion, storage,
21 or conveyance of hydroelectric power to land-based devices
22 and appurtenances used in the transmission of electrical
23 energy;

24 (3) "Intangible personal property", for the purpose of
25 taxation, shall include all property other than real
26 property and tangible personal property, as defined by this
27 section;

28 (4) "Real property" includes land itself, whether laid
29 out in town lots or otherwise, and all growing crops,
30 buildings, structures, improvements and fixtures of whatever
31 kind thereon, hydroelectric power generating equipment, the
32 installed poles used in the transmission or reception of
33 electrical energy, audio signals, video signals or similar
34 purposes, provided the owner of such installed poles is also
35 an owner of a fee simple interest, possessor of an easement,
36 holder of a license or franchise, or is the beneficiary of a
37 right-of-way dedicated for public utility purposes for the
38 underlying land; attached wires, transformers, amplifiers,
39 substations, and other such devices and appurtenances used
40 in the transmission or reception of electrical energy, audio
41 signals, video signals or similar purposes when owned by the
42 owner of the installed poles, otherwise such items are
43 considered personal property; and stationary property used
44 for transportation or storage of liquid and gaseous
45 products, including, but not limited to, petroleum products,
46 natural gas, propane or LP gas equipment, water, and sewage;

47 (5) "Reliever airport", any land and improvements,
48 exclusive of structures, on privately owned airports that
49 qualify as reliever airports under the National Plan of
50 Integrated Airport Systems that may receive federal airport
51 improvement project funds through the Federal Aviation
52 Administration;

53 (6) "Tangible personal property" includes every
54 tangible thing being the subject of ownership or part
55 ownership whether animate or inanimate, other than money,
56 and not forming part or parcel of real property as herein
57 defined, but does not include household goods, furniture,
58 wearing apparel and articles of personal use and adornment,
59 as defined by the state tax commission, owned and used by a
60 person in his home or dwelling place. Tangible personal
61 property shall include:

62 **(a)** Solar panels, racking systems, inverters, and
63 related solar equipment, components, materials, and supplies
64 installed in connection with solar photovoltaic energy
65 systems, as described in subdivision (46) of subsection 2 of
66 section 144.030, that were constructed and producing solar
67 energy prior to August 9, 2022; **and**

68 **(b)** Machinery and equipment used to provide broadband
69 communications service. Machinery and equipment used to
70 provide broadband communications service shall include, but
71 not be limited to, wires, cables, fiber, conduits, antennas,
72 poles, switches, routers, amplifiers, rectifiers, repeaters,
73 receivers, multiplexers, duplexers, transmitters, circuit
74 cards, insulating and protective materials and cases, power
75 equipment, backup power equipment, diagnostic equipment,
76 storage devices, customer-premise equipment, modems,
77 software, cable-modem-termination-system components, Wi-Fi
78 equipment, and other general central-office, headend, or hub

79 equipment such as channel cards, frames, and cabinets, and
80 any successor-technology items used to monitor, test,
81 maintain, enable, or facilitate qualifying equipment,
82 machinery, ancillary components, appurtenances, accessories,
83 or other infrastructure used in whole or in part to provide
84 broadband communications service.

137.080. Real estate and tangible personal property
2 shall be assessed annually at the assessment which commences
3 on the first day of January. For purposes of assessing and
4 taxing tangible personal property, all tangible personal
5 property shall be divided into the following subclasses:

6 (1) Grain and other agricultural crops in an
7 unmanufactured condition;

8 (2) Livestock;

9 (3) Farm machinery;

10 (4) Vehicles, including recreational vehicles, but not
11 including manufactured homes, as defined in section 700.010,
12 which are actually used as dwelling units;

13 (5) Manufactured homes, as defined in section 700.010,
14 which are actually used as dwelling units;

15 (6) Motor vehicles which are eligible for registration
16 and are registered as historic motor vehicles under section
17 301.131;

18 (7) Solar panels, racking systems, inverters, and
19 related solar equipment, components, materials, and supplies
20 installed in connection with solar photovoltaic energy
21 systems, as described in subdivision (46) of subsection 2 of
22 section 144.030, that were constructed and producing solar
23 energy prior to August 9, 2022; [and]

24 (8) Machinery and equipment used to provide broadband
25 communications service and that is placed in service prior
26 to August 28, 2026; and

27 (9) All taxable tangible personal property not
28 included in [subclass (1), subclass (2), subclass (3),
29 subclass (4), subclass (5), subclass (6), or subclass (7)]
30 **subclasses (1) to (8).**

137.115. 1. All other laws to the contrary
2 notwithstanding, the assessor or the assessor's deputies in
3 all counties of this state including the City of St. Louis
4 shall annually make a list of all real and tangible personal
5 property taxable in the assessor's city, county, town or
6 district. Except as otherwise provided in subsection 3 of
7 this section and section 137.078, the assessor shall
8 annually assess all personal property at thirty-three and
9 one-third percent of its true value in money as of January
10 first of each calendar year. The assessor shall annually
11 assess all real property, including any new construction and
12 improvements to real property, and possessory interests in
13 real property at the percent of its true value in money set
14 in subsection 5 of this section. The true value in money of
15 any possessory interest in real property in subclass (3),
16 where such real property is on or lies within the ultimate
17 airport boundary as shown by a federal airport layout plan,
18 as defined by 14 CFR 151.5, of a commercial airport having a
19 FAR Part 139 certification and owned by a political
20 subdivision, shall be the otherwise applicable true value in
21 money of any such possessory interest in real property, less
22 the total dollar amount of costs paid by a party, other than
23 the political subdivision, towards any new construction or
24 improvements on such real property completed after January
25 1, 2008, and which are included in the above-mentioned
26 possessory interest, regardless of the year in which such
27 costs were incurred or whether such costs were considered in
28 any prior year. The assessor shall annually assess all real

property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or

arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

93 2. Assessors in each county of this state and the City
94 of St. Louis may send personal property assessment forms
95 through the mail.

96 3. The following items of personal property shall each
97 constitute separate subclasses of tangible personal property
98 and shall be assessed and valued for the purposes of
99 taxation at the following percentages of their true value in
100 money:

101 (1) Grain and other agricultural crops in an
102 unmanufactured condition, one-half of one percent;

103 (2) Livestock, twelve percent;

104 (3) Farm machinery, twelve percent;

105 (4) Motor vehicles which are eligible for registration
106 as and are registered as historic motor vehicles pursuant to
107 section 301.131 and aircraft which are at least twenty-five
108 years old and which are used solely for noncommercial
109 purposes and are operated less than two hundred hours per
110 year or aircraft that are home built from a kit, five
111 percent;

112 (5) Poultry, twelve percent;

113 (6) Tools and equipment used for pollution control and
114 tools and equipment used in retooling for the purpose of
115 introducing new product lines or used for making
116 improvements to existing products by any company which is
117 located in a state enterprise zone and which is identified
118 by any standard industrial classification number cited in
119 subdivision (7) of section 135.200, twenty-five percent;

120 [and]

121 (7) Solar panels, racking systems, inverters, and
122 related solar equipment, components, materials, and supplies
123 installed in connection with solar photovoltaic energy
124 systems, as described in subdivision (46) of subsection 2 of

section 144.030, that were constructed and producing solar energy prior to August 9, 2022, five percent; and

(8) (a) Machinery and equipment that is used to provide broadband communications service and that is placed in service on or after August 28, 2026, twelve percent for all calendar years beginning on or after January 1, 2027, and ending on or before December 31, 2033;

(b) Machinery and equipment that is used to provide broadband communications service and that is placed in service on or after August 28, 2026, thirty-three and one-third percent for all calendar years beginning on or after January 1, 2034.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. (1) All subclasses of real property, as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

(a) For real property in subclass (1), nineteen percent;

(b) For real property in subclass (2), twelve percent; and

(c) For real property in subclass (3), thirty-two percent.

(2) A taxpayer may apply to the county assessor, or, if not located within a county, then the assessor of such city, for the reclassification of such taxpayer's real property if the use or purpose of such real property is

changed after such property is assessed under the provisions of this chapter. If the assessor determines that such property shall be reclassified, he or she shall determine the assessment under this subsection based on the percentage of the tax year that such property was classified in each subclassification.

6. Manufactured homes, as defined in section 700.010, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. For purposes of this section, a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015

and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use a nationally recognized automotive trade publication such as the National Automobile Dealers' Association Official Used Car Guide, Kelley Blue Book, Edmunds, or other similar publication as the recommended guide of information for determining the true value of motor vehicles described in such publication. The state tax commission shall select and make available to all assessors which publication shall be used. The assessor of each county and each city not within a county shall use the trade-in value published in the current October issue of the publication selected by the state tax commission. The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications that, in the assessor's

judgment, will fairly estimate the true value in money of the motor vehicle. For motor vehicles with a true value of less than fifty thousand dollars as of January 1, 2025, the assessor shall not assess such motor vehicle for an amount greater than such motor vehicle was assessed in the previous year, provided that such motor vehicle was properly assessed in the previous year.

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be

considered sufficient to constitute a physical inspection as required by this section.

13. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision

284 contained within two or more counties where at least one of
285 such counties has opted out and at least one of such
286 counties has not opted out shall calculate a single tax rate
287 as in effect prior to the enactment of house bill no. 1150
288 of the ninety-first general assembly, second regular
289 session. A governing body of a city not within a county or
290 a county that has opted out under the provisions of this
291 subsection may choose to implement the provisions of this
292 section and sections 137.073, 138.060, and 138.100 as
293 enacted by house bill no. 1150 of the ninety-first general
294 assembly, second regular session, and section 137.073 as
295 modified by house committee substitute for senate substitute
296 for senate committee substitute for senate bill no. 960,
297 ninety-second general assembly, second regular session, for
298 the next year of general reassessment, by an affirmative
299 vote of the governing body prior to December thirty-first of
300 any year.

301 15. The governing body of any city of the third
302 classification with more than twenty-six thousand three
303 hundred but fewer than twenty-six thousand seven hundred
304 inhabitants located in any county that has exercised its
305 authority to opt out under subsection 14 of this section may
306 levy separate and differing tax rates for real and personal
307 property only if such city bills and collects its own
308 property taxes or satisfies the entire cost of the billing
309 and collection of such separate and differing tax rates.
310 Such separate and differing rates shall not exceed such
311 city's tax rate ceiling.

312 16. Any portion of real property that is available as
313 reserve for strip, surface, or coal mining for minerals for
314 purposes of excavation for future use or sale to others that
315 has not been bonded and permitted under chapter 444 shall be

316 assessed based upon how the real property is currently being
317 used. Any information provided to a county assessor, state
318 tax commission, state agency, or political subdivision
319 responsible for the administration of tax policies shall, in
320 the performance of its duties, make available all books,
321 records, and information requested, except such books,
322 records, and information as are by law declared confidential
323 in nature, including individually identifiable information
324 regarding a specific taxpayer or taxpayer's mine property.
325 For purposes of this subsection, "mine property" shall mean
326 all real property that is in use or readily available as a
327 reserve for strip, surface, or coal mining for minerals for
328 purposes of excavation for current or future use or sale to
329 others that has been bonded and permitted under chapter 444.

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