

SECOND REGULAR SESSION

# SENATE BILL NO. 1303

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MOON.

5672S.011

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to the classification of certain real property.

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

Section A. Section 137.016, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 137.016,  
3 to read as follows:

137.016. 1. As used in Section 4(b) of Article X of  
2 the Missouri Constitution, the following terms mean:

3 (1) "Residential property", all real property improved  
4 by a structure which is used or intended to be used for  
5 residential living by human occupants, vacant land in  
6 connection with an airport, land used as a golf course,  
7 manufactured home parks, bed and breakfast inns in which the  
8 owner resides and uses as a primary residence with six or  
9 fewer rooms for rent, and time-share units as defined in  
10 section 407.600, except to the extent such units are  
11 actually rented and subject to sales tax under subdivision  
12 (6) of subsection 1 of section 144.020, but residential  
13 property shall not include other similar facilities used  
14 primarily for transient housing. **A single family home**  
15 **leased for a term of less than thirty consecutive days, in**  
16 **whole or in part, subject to sales tax under subdivision (6)**  
17 **of subsection 1 of section 144.020 shall be classified only**

18 **as residential property.** For the purposes of this section,  
19 "transient housing" means all rooms available for rent or  
20 lease for which the receipts from the rent or lease of such  
21 rooms are subject to state sales tax pursuant to subdivision  
22 (6) of subsection 1 of section 144.020; **the leasing of a**  
23 **single family home, in whole or in part, for a term of less**  
24 **than thirty consecutive days does not, in itself, constitute**  
25 **"transient housing";**

26 (2) "Agricultural and horticultural property", all  
27 real property used for agricultural purposes and devoted  
28 primarily to the raising and harvesting of crops; to the  
29 feeding, breeding and management of livestock which shall  
30 include breeding, showing, and boarding of horses; to  
31 dairying, or to any other combination thereof; and buildings  
32 and structures customarily associated with farming,  
33 agricultural, and horticultural uses. Agricultural and  
34 horticultural property shall also include land devoted to  
35 and qualifying for payments or other compensation under a  
36 soil conservation or agricultural assistance program under  
37 an agreement with an agency of the federal government.  
38 Agricultural and horticultural property shall further  
39 include any reliever airport. Real property classified as  
40 forest croplands shall not be agricultural or horticultural  
41 property so long as it is classified as forest croplands and  
42 shall be taxed in accordance with the laws enacted to  
43 implement Section 7 of Article X of the Missouri  
44 Constitution. Agricultural and horticultural property shall  
45 also include any sawmill or planing mill defined in the U.S.  
46 Department of Labor's Standard Industrial Classification  
47 (SIC) Manual under Industry Group 242 with the SIC number  
48 2421. Agricultural and horticultural property shall also  
49 include urban and community gardens. For the purposes of

50 this section, "urban and community gardens" shall include  
51 real property cultivated by residents of a neighborhood or  
52 community for the purposes of providing agricultural  
53 products, as defined in section 262.900, for the use of  
54 residents of the neighborhood or community, and shall not  
55 include a garden intended for individual or personal use;

56 (3) "Utility, industrial, commercial, railroad and  
57 other real property", all real property used directly or  
58 indirectly for any commercial, mining, industrial,  
59 manufacturing, trade, professional, business, or similar  
60 purpose, including all property centrally assessed by the  
61 state tax commission but shall not include floating docks,  
62 portions of which are separately owned and the remainder of  
63 which is designated for common ownership and in which no one  
64 person or business entity owns more than five individual  
65 units. All other real property not included in the property  
66 listed in subclasses (1) and (2) of Section 4(b) of Article  
67 X of the Missouri Constitution, as such property is defined  
68 in this section, shall be deemed to be included in the term  
69 "utility, industrial, commercial, railroad and other real  
70 property".

71 2. Pursuant to Article X of the state Constitution,  
72 any taxing district may adjust its operating levy to recoup  
73 any loss of property tax revenue, except revenues from the  
74 surtax imposed pursuant to Article X, Subsection 2 of  
75 Section 6 of the Constitution, as the result of changing the  
76 classification of structures intended to be used for  
77 residential living by human occupants which contain five or  
78 more dwelling units if such adjustment of the levy does not  
79 exceed the highest tax rate in effect subsequent to the 1980  
80 tax year. For purposes of this section, loss in revenue  
81 shall include the difference between the revenue that would

82 have been collected on such property under its  
83 classification prior to enactment of this section and the  
84 amount to be collected under its classification under this  
85 section. The county assessor of each county or city not  
86 within a county shall provide information to each taxing  
87 district within its boundaries regarding the difference in  
88 assessed valuation of such property as the result of such  
89 change in classification.

90 3. All reclassification of property as the result of  
91 changing the classification of structures intended to be  
92 used for residential living by human occupants which contain  
93 five or more dwelling units shall apply to assessments made  
94 after December 31, 1994.

95 4. Where real property is used or held for use for  
96 more than one purpose and such uses result in different  
97 classifications, the county assessor shall allocate to each  
98 classification the percentage of the true value in money of  
99 the property devoted to each use; except that, where  
100 agricultural and horticultural property, as defined in this  
101 section, also contains a dwelling unit or units, the farm  
102 dwelling, appurtenant residential-related structures and up  
103 to five acres immediately surrounding such farm dwelling  
104 shall be residential property, as defined in this section,  
105 provided that the portion of property used or held for use  
106 as an urban and community garden shall not be residential  
107 property. This subsection shall not apply to any reliever  
108 airport.

109 5. All real property which is vacant, unused, or held  
110 for future use; which is used for a private club, a not-for-  
111 profit or other nonexempt lodge, club, business, trade,  
112 service organization, or similar entity; or for which a  
113 determination as to its classification cannot be made under

the definitions set out in subsection 1 of this section, shall be classified according to its immediate most suitable economic use, which use shall be determined after consideration of:

- (1) Immediate prior use, if any, of such property;
  - (2) Location of such property;
  - (3) Zoning classification of such property; except that, such zoning classification shall not be considered conclusive if, upon consideration of all factors, it is determined that such zoning classification does not reflect the immediate most suitable economic use of the property;
  - (4) Other legal restrictions on the use of such property;
  - (5) Availability of water, electricity, gas, sewers, street lighting, and other public services for such property;
  - (6) Size of such property;
  - (7) Access of such property to public thoroughfares;
- and
- (8) Any other factors relevant to a determination of the immediate most suitable economic use of such property.

6. All lands classified as forest croplands shall not, for taxation purposes, be classified as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in Section 4(b) of Article X of the Missouri Constitution and defined in this section, but shall be taxed in accordance with the laws enacted to implement Section 7 of Article X of the Missouri Constitution.

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