

# SENATE BILL NO. 857

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BRATTIN.

5186S.011

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to property taxes.

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

Section A. Section 137.115, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 137.115,  
3 to read as follows:

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. **Beginning January 1, 2027, all**  
11 **personal property shall be annually assessed at a percent of**  
12 **its true value in money as of January first of each calendar**  
13 **year as follows:**

14 (1) A political subdivision shall annually reduce the  
15 percentage of true value in money at which personal property  
16 is assessed pursuant to this subsection such that the amount  
17 by which the revenue generated by taxes levied on such

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

18 personal property is substantially equal to one hundred  
19 percent of the growth in revenue generated by real property  
20 assessment growth. Annual reductions shall be made pursuant  
21 to this subdivision until December 31, 2075. Thereafter,  
22 the percentage of true value in money at which personal  
23 property is assessed shall be equal to the percentage in  
24 effect on December 31, 2075;

25 (2) The provisions of subdivision (1) of this  
26 subsection shall not be construed to relieve a political  
27 subdivision from adjustments to property tax levies as  
28 required by section 137.073;

29 (3) For the purposes of subdivision (1) of this  
30 subsection, "real property assessment growth" shall mean the  
31 growth in revenue from increases in the total assessed  
32 valuation of all real property in a political subdivision  
33 over the revenue generated from the assessed valuation of  
34 such real property from the previous calendar year. Real  
35 property assessment growth shall not include any revenue in  
36 excess of the percent increase in the consumer price index,  
37 as described in subsection 2 of section 137.073;

38 (4) Notwithstanding the provisions of subdivisions (1)  
39 to (3) of this subsection to the contrary, for the purposes  
40 of the tax levied pursuant to Article III, Section 38(b) of  
41 the Missouri Constitution, all personal property shall be  
42 assessed at thirty-three and one-third percent of its true  
43 value in money as of January first of each calendar year;

44 (5) Subject to appropriations, a political subdivision  
45 that receives total real and personal property tax revenues  
46 below the allowable amount for such political subdivision in  
47 such calendar year due to the provisions of subdivisions (1)  
48 to (4) of this subsection shall receive reimbursement from  
49 the state in an amount equal to the amount that such

50 revenues are below the total allowable amount of property  
51 tax revenues for such political subdivision in such calendar  
52 year.

53       2. The assessor shall annually assess all real  
54 property, including any new construction and improvements to  
55 real property, and possessory interests in real property at  
56 the percent of its true value in money set in subsection [5]  
57 6 of this section. The true value in money of any  
58 possessory interest in real property in subclass (3), where  
59 such real property is on or lies within the ultimate airport  
60 boundary as shown by a federal airport layout plan, as  
61 defined by 14 CFR 151.5, of a commercial airport having a  
62 FAR Part 139 certification and owned by a political  
63 subdivision, shall be the otherwise applicable true value in  
64 money of any such possessory interest in real property, less  
65 the total dollar amount of costs paid by a party, other than  
66 the political subdivision, towards any new construction or  
67 improvements on such real property completed after January  
68 1, 2008, and which are included in the above-mentioned  
69 possessory interest, regardless of the year in which such  
70 costs were incurred or whether such costs were considered in  
71 any prior year. The assessor shall annually assess all real  
72 property in the following manner: new assessed values shall  
73 be determined as of January first of each odd-numbered year  
74 and shall be entered in the assessor's books; those same  
75 assessed values shall apply in the following even-numbered  
76 year, except for new construction and property improvements  
77 which shall be valued as though they had been completed as  
78 of January first of the preceding odd-numbered year. The  
79 assessor may call at the office, place of doing business, or  
80 residence of each person required by this chapter to list  
81 property, and require the person to make a correct statement

82 of all taxable tangible personal property owned by the  
83 person or under his or her care, charge or management,  
84 taxable in the county. On or before January first of each  
85 even-numbered year, the assessor shall prepare and submit a  
86 two-year assessment maintenance plan to the county governing  
87 body and the state tax commission for their respective  
88 approval or modification. The county governing body shall  
89 approve and forward such plan or its alternative to the plan  
90 to the state tax commission by February first. If the  
91 county governing body fails to forward the plan or its  
92 alternative to the plan to the state tax commission by  
93 February first, the assessor's plan shall be considered  
94 approved by the county governing body. If the state tax  
95 commission fails to approve a plan and if the state tax  
96 commission and the assessor and the governing body of the  
97 county involved are unable to resolve the differences, in  
98 order to receive state cost-share funds outlined in section  
99 137.750, the county or the assessor shall petition the  
100 administrative hearing commission, by May first, to decide  
101 all matters in dispute regarding the assessment maintenance  
102 plan. Upon agreement of the parties, the matter may be  
103 stayed while the parties proceed with mediation or  
104 arbitration upon terms agreed to by the parties. The final  
105 decision of the administrative hearing commission shall be  
106 subject to judicial review in the circuit court of the  
107 county involved. In the event a valuation of subclass (1)  
108 real property within any county with a charter form of  
109 government, or within a city not within a county, is made by  
110 a computer, computer-assisted method or a computer program,  
111 the burden of proof, supported by clear, convincing and  
112 cogent evidence to sustain such valuation, shall be on the  
113 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.

[2.] 3. Assessors in each county of this state and the City of St. Louis may send personal property assessment forms through the mail.

[3.] 4. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

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

146           (2) Livestock, twelve percent;  
147           (3) Farm machinery, twelve percent;  
148           (4) Motor vehicles which are eligible for registration  
149 as and are registered as historic motor vehicles pursuant to  
150 section 301.131 and aircraft which are at least twenty-five  
151 years old and which are used solely for noncommercial  
152 purposes and are operated less than two hundred hours per  
153 year or aircraft that are home built from a kit, five  
154 percent;  
155           (5) Poultry, twelve percent;  
156           (6) Tools and equipment used for pollution control and  
157 tools and equipment used in retooling for the purpose of  
158 introducing new product lines or used for making  
159 improvements to existing products by any company which is  
160 located in a state enterprise zone and which is identified  
161 by any standard industrial classification number cited in  
162 subdivision (7) of section 135.200, twenty-five percent; and  
163           (7) Solar panels, racking systems, inverters, and  
164 related solar equipment, components, materials, and supplies  
165 installed in connection with solar photovoltaic energy  
166 systems, as described in subdivision (46) of subsection 2 of  
167 section 144.030, that were constructed and producing solar  
168 energy prior to August 9, 2022, five percent.

169           [4.] 5. The person listing the property shall enter a  
170 true and correct statement of the property, in a printed  
171 blank prepared for that purpose. The statement, after being  
172 filled out, shall be signed and either affirmed or sworn to  
173 as provided in section 137.155. The list shall then be  
174 delivered to the assessor.

175           [5.] 6. (1) All subclasses of real property, as such  
176 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.] 7. 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.] 8. 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.] 9. 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.] 10. 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.] 11.** 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.] 12.** 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

273 to notify the assessor of a request for an interior physical  
274 inspection.

275       [12.] 13. A physical inspection, as required by  
276 subsection [10] 11 of this section, shall include, but not  
277 be limited to, an on-site personal observation and review of  
278 all exterior portions of the land and any buildings and  
279 improvements to which the inspector has or may reasonably  
280 and lawfully gain external access, and shall include an  
281 observation and review of the interior of any buildings or  
282 improvements on the property upon the timely request of the  
283 owner pursuant to subsection [11] 12 of this section. Mere  
284 observation of the property via a drive-by inspection or the  
285 like shall not be considered sufficient to constitute a  
286 physical inspection as required by this section.

287       [13.] 14. A county or city collector may accept credit  
288 cards as proper form of payment of outstanding property tax  
289 or license due. No county or city collector may charge  
290 surcharge for payment by credit card which exceeds the fee  
291 or surcharge charged by the credit card bank, processor, or  
292 issuer for its service. A county or city collector may  
293 accept payment by electronic transfers of funds in payment  
294 of any tax or license and charge the person making such  
295 payment a fee equal to the fee charged the county by the  
296 bank, processor, or issuer of such electronic payment.

297       [14.] 15. Any county or city not within a county in  
298 this state may, by an affirmative vote of the governing body  
299 of such county, opt out of the provisions of this section  
300 and sections 137.073, 138.060, and 138.100 as enacted by  
301 house bill no. 1150 of the ninety-first general assembly,  
302 second regular session and section 137.073 as modified by  
303 house committee substitute for senate substitute for senate  
304 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 contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement 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 general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

[15.] 16. The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred

inhabitants located in any county that has exercised its authority to opt out under subsection [14] 15 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

[16.] 17. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and information requested, except such books, records, and information as are by law declared confidential in nature, including individually identifiable information regarding a specific taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

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