

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILLS NOS. 1066 & 1088
AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to classification of certain residential 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Section A. Section 137.016, RSMo, is repealed and one new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" [,]:

4 (a) All real property improved by a structure which is
5 used or intended to be used for residential living by human
6 occupants [,];

7 (b) Vacant land in connection with an airport [,];

8 (c) Land used as a golf course [,];

9 (d) Manufactured home parks [,];

10 (e) Bed and breakfast inns in which the owner resides
11 and uses as a primary residence with six or fewer rooms for
12 rent [, and];

13 (f) Time-share units as defined in section 407.600,
14 except to the extent such units are actually rented and
15 subject to sales tax under subdivision (6) of subsection 1
16 of section 144.020 [, but];

17 (g) Any single family home owned by an individual or
18 business that is leased for a term of less than thirty
19 consecutive days, in whole or in part, subject to sales tax

20 under subdivision (6) of subsection 1 of section 144.020,
21 provided that the provisions of this paragraph may not apply
22 to such properties in excess of fifteen such properties
23 owned by the same individual or business. For the purposes
24 of this paragraph, the term "business" shall mean a sole
25 proprietor, partnership, or limited liability company. For
26 the purposes of this paragraph for determining the number of
27 single family homes leased for a term of less than thirty
28 consecutive days, in whole or in part, subject to sales tax
29 under subdivision (6) of subsection 1 of section 144.020
30 owned by an individual or business, all single family homes
31 that are such properties owned by the individual or
32 business, or which an individual or business is a part,
33 shall be counted;

34 Residential property shall not include other similar
35 facilities used primarily for transient housing. For the
36 purposes of this section, "transient housing" means all
37 rooms available for rent or lease for which the receipts
38 from the rent or lease of such rooms are subject to state
39 sales tax pursuant to subdivision (6) of subsection 1 of
40 section 144.020; the leasing of a single family home, in
41 whole or in part, for a term of less than thirty consecutive
42 days does not, in itself, constitute "transient housing";

43 (2) "Agricultural and horticultural property", all
44 real property used for agricultural purposes and devoted
45 primarily to the raising and harvesting of crops; to the
46 feeding, breeding and management of livestock which shall
47 include breeding, showing, and boarding of horses; to
48 dairying, or to any other combination thereof; and buildings
49 and structures customarily associated with farming,
50 agricultural, and horticultural uses. Agricultural and
51 horticultural property shall also include land devoted to

52 and qualifying for payments or other compensation under a
53 soil conservation or agricultural assistance program under
54 an agreement with an agency of the federal government.
55 Agricultural and horticultural property shall further
56 include any reliever airport. Real property classified as
57 forest croplands shall not be agricultural or horticultural
58 property so long as it is classified as forest croplands and
59 shall be taxed in accordance with the laws enacted to
60 implement Section 7 of Article X of the Missouri
61 Constitution. Agricultural and horticultural property shall
62 also include any sawmill or planing mill defined in the U.S.
63 Department of Labor's Standard Industrial Classification
64 (SIC) Manual under Industry Group 242 with the SIC number
65 2421. Agricultural and horticultural property shall also
66 include urban and community gardens. For the purposes of
67 this section, "urban and community gardens" shall include
68 real property cultivated by residents of a neighborhood or
69 community for the purposes of providing agricultural
70 products, as defined in section 262.900, for the use of
71 residents of the neighborhood or community, and shall not
72 include a garden intended for individual or personal use;

73 (3) "Utility, industrial, commercial, railroad and
74 other real property", all real property used directly or
75 indirectly for any commercial, mining, industrial,
76 manufacturing, trade, professional, business, or similar
77 purpose, including all property centrally assessed by the
78 state tax commission but shall not include floating docks,
79 portions of which are separately owned and the remainder of
80 which is designated for common ownership and in which no one
81 person or business entity owns more than five individual
82 units. All other real property not included in the property
83 listed in subclasses (1) and (2) of Section 4(b) of Article
84 X of the Missouri Constitution, as such property is defined

85 in this section, shall be deemed to be included in the term
86 "utility, industrial, commercial, railroad and other real
87 property".

88 2. Pursuant to Article X of the state Constitution,
89 any taxing district may adjust its operating levy to recoup
90 any loss of property tax revenue, except revenues from the
91 surtax imposed pursuant to Article X, Subsection 2 of
92 Section 6 of the Constitution, as the result of changing the
93 classification of structures intended to be used for
94 residential living by human occupants which contain five or
95 more dwelling units if such adjustment of the levy does not
96 exceed the highest tax rate in effect subsequent to the 1980
97 tax year. For purposes of this section, loss in revenue
98 shall include the difference between the revenue that would
99 have been collected on such property under its
100 classification prior to enactment of this section and the
101 amount to be collected under its classification under this
102 section. The county assessor of each county or city not
103 within a county shall provide information to each taxing
104 district within its boundaries regarding the difference in
105 assessed valuation of such property as the result of such
106 change in classification.

107 3. All reclassification of property as the result of
108 changing the classification of structures intended to be
109 used for residential living by human occupants which contain
110 five or more dwelling units shall apply to assessments made
111 after December 31, 1994.

112 4. Where real property is used or held for use for
113 more than one purpose and such uses result in different
114 classifications, the county assessor shall allocate to each
115 classification the percentage of the true value in money of
116 the property devoted to each use; except that, where
117 agricultural and horticultural property, as defined in this

118 section, also contains a dwelling unit or units, the farm
119 dwelling, appurtenant residential-related structures and up
120 to five acres immediately surrounding such farm dwelling
121 shall be residential property, as defined in this section,
122 provided that the portion of property used or held for use
123 as an urban and community garden shall not be residential
124 property. This subsection shall not apply to any reliever
125 airport.

126 5. All real property which is vacant, unused, or held
127 for future use; which is used for a private club, a not-for-
128 profit or other nonexempt lodge, club, business, trade,
129 service organization, or similar entity; or for which a
130 determination as to its classification cannot be made under
131 the definitions set out in subsection 1 of this section,
132 shall be classified according to its immediate most suitable
133 economic use, which use shall be determined after
134 consideration of:

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

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