

SECOND REGULAR SESSION

SENATE BILL NO. 1140

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GIBBONS.

Read 1st time February 28, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

4247S.09I

AN ACT

To repeal sections 21.810, 67.110, 137.055, 138.380, and 138.395, RSMo, and to enact in lieu thereof eight new sections relating to real property taxes.

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

Section A. Sections 21.810, 67.110, 137.055, 138.380, and 138.395, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 21.810, 53.069, 53.165, 67.110, 137.055, 138.380, 138.395, and 381.413, to read as follows:

21.810. 1. There is established a permanent joint committee of the general assembly to be known as the "Joint Committee on Tax Policy" which shall be composed of five members of the senate, appointed by the president pro tem of the senate, and five members of the house of representatives, appointed by the speaker of the house of representatives. A majority of the members of the committee shall constitute a quorum. The members shall annually select one of the members to be the chair and one of the members to be the vice chair. The speaker of the house of representatives and the president pro tem of the senate shall appoint the respective majority members. The minority leader of the house and the minority leader of the senate shall appoint the respective minority members. The members shall receive no additional compensation, but shall be reimbursed for actual and necessary expenses incurred by them in the performance of their duties. No major party shall be represented on the committee by more than three members from the senate nor by more than three members from the house. The committee is authorized to meet and act year round and to employ the necessary personnel within the limits of appropriations. The staff of the committee on legislative research, house

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

18 research, and senate research shall provide necessary clerical, research, fiscal,
19 and legal services to the committee, as the committee may request.

20 2. It shall be the duty of the committee:

21 (1) To make a continuing study and analysis of the current and proposed
22 tax policy of this state as it relates to:

23 (a) Fairness and equity;

24 (b) True economic impact;

25 (c) Burden on individuals and businesses;

26 (d) Effectiveness of tax expenditures;

27 (e) Impact on political subdivisions of this state;

28 (f) Agreements and contracts with the federal government, other states
29 and territories, political subdivisions, and private entities relating to the
30 collection and administration of state and local taxes and fees;

31 (g) Compliance with the state and United States Constitution and federal
32 and international law; and

33 (h) The effects of interstate commerce;

34 (2) To make a continuing study and review of the department of revenue,
35 the department of economic development, the state tax commission, and any other
36 state agency, commission, or state executive office responsible for the
37 administration of tax policies;

38 (3) To study the effects of the coupling or decoupling with the federal
39 income tax code as it relates to the state income tax;

40 (4) To make recommendations, as and when the committee deems fit, to
41 the general assembly for legislative action or to report findings and to the
42 departments, commissions, and offices for administrative or procedural changes;

43 (5) To study the effects of a sales tax holiday; [and]

44 (6) To examine and assess the public benefit of any tax credit program
45 that is the subject of an audit by the state auditor pursuant to section 620.1300,
46 RSMo, and provide a report to the general assembly and the governor with the
47 committee's findings and recommendations, if any, regarding such tax credit
48 program within six months of receiving the audit report;

49 **(7) To examine and certify ratio studies of assessed valuation**
50 **performed by the state tax commission pursuant to section 138.395,**
51 **RSMo.**

52 3. All state departments, commissions, and offices responsible for the
53 administration of tax policies shall cooperate with and assist the committee in the

54 performance of its duties and shall make available all books, records and
55 information requested, except individually identifiable information regarding a
56 specific taxpayer. The committee may also consult with public and private
57 universities and academies, public and private organizations, and private citizens
58 in the performance of its duties. The committee may contract with public and
59 private entities, within the limits of appropriation, for analysis and study of
60 current or proposed changes to state and local tax policy. The committee shall
61 have the power to subpoena witnesses, take testimony under oath, compel the
62 attendance of witnesses, the giving of testimony and the production of records.

**53.069. 1. By January 1, 2010, all assessors shall uniformly assess
2 all residential property under the uniform statewide cost system
3 created by the state tax commission under section 138.380, RSMo.**

**4 2. The provisions of subsection 1 of this section shall not apply
5 to any county with a charter form of government and with more than
6 one million inhabitants, any county with a charter form of government
7 and with more than two hundred fifty thousand but fewer than three
8 hundred fifty thousand inhabitants, any county with a charter form of
9 government and with more than six hundred thousand but fewer than
10 seven hundred thousand inhabitants, and any city not within a
11 county. The provisions of subsection 1 of this section shall also not
12 apply to any first class county not having a charter form of government
13 if:**

**14 (1) No later than January 1, 2009, the assessor of that county
15 files a written request with the state tax commission that the county be
16 excepted from subsection 1 of this section; and**

**17 (2) The state tax commission, upon a finding that such a county
18 has a computer assisted mass appraisal system approved by the state
19 tax commission which is sufficient to maintain assessments at levels
20 required by statute, provides written approval for that county to opt
21 out of the provisions of subsection 1 of this section.**

**53.165. 1. In all counties, the recorder of deeds or circuit clerk
2 ex officio recorder of deeds shall, upon request that a residential
3 property conveyance be recorded, take receipt of the completed form
4 provided under subdivision (8) of section 138.380, RSMo, requesting the
5 voluntary disclosure of sales information regarding such conveyance,
6 from any individual requesting that the conveyance be recorded. The
7 recorder of deeds or circuit clerk ex officio shall immediately forward**

8 **all completed voluntary sales disclosure forms to the county assessor.**

9 **2. The provisions of subsection 1 of this section shall not apply**
10 **to any county with a charter form of government and with more than**
11 **one million inhabitants, any county with a charter form of government**
12 **and with more than two hundred fifty thousand but fewer than three**
13 **hundred fifty thousand inhabitants, any county with a charter form of**
14 **government and with more than six hundred thousand but fewer than**
15 **seven hundred thousand inhabitants, and any city not within a county.**

67.110. 1. Each political subdivision in the state, except counties, shall
2 fix its ad valorem property tax rates as provided in this section not later than
3 September first for entry in the tax books. Before the governing body of each
4 political subdivision of the state, except counties, as defined in section 70.120,
5 RSMo, fixes its rate of taxation, its budget officer shall present to its governing
6 body the following information for each tax rate to be levied: The assessed
7 valuation by category of real, personal and other tangible property in the political
8 subdivision as entered in the tax book for the fiscal year for which the tax is to
9 be levied, as provided by subsection 3 of section 137.245, RSMo, the assessed
10 valuation by category of real, personal and other tangible property in the political
11 subdivisions for the preceding taxable year, the amount of revenue required to be
12 provided from the property tax as set forth in the annual budget adopted as
13 provided by this chapter, and the tax rate proposed to be set. Should any
14 political subdivision whose taxes are collected by the county collector of revenue
15 fail to fix its ad valorem property tax rate by September first, then no tax rate
16 other than the rate, if any, necessary to pay the interest and principal on any
17 outstanding bonds shall be certified for that year.

18 2. The governing body shall hold at least one public hearing on the
19 proposed rates of taxes at which citizens may be heard prior to their
20 approval. The governing body shall determine the time and place for such
21 hearing. A notice stating the hour, date and place of the hearing shall be
22 published in at least one newspaper qualified under the laws of the state of
23 Missouri of general circulation in the county within which all or the largest
24 portion of the political subdivision is situated, or such notice shall be posted in
25 at least three public places within the political subdivision; except that, in any
26 county of the first class having a charter form of government, such notice may be
27 published in a newspaper of general circulation within the political subdivision
28 even though such newspaper is not qualified under the laws of Missouri for other

29 legal notices. Such notice shall be published or posted at least seven days prior
30 to the date of the hearing. The notice shall include the assessed valuation by
31 category of real, personal and other tangible property in the political subdivision
32 for the fiscal year for which the tax is to be levied as provided by subsection 3 of
33 section 137.245, RSMo, the assessed valuation by category of real, personal and
34 other tangible property in the political subdivision for the preceding taxable year,
35 for each rate to be levied the amount of revenue required to be provided from the
36 property tax as set forth in the annual budget adopted as provided by this
37 chapter, and the tax rates proposed to be set for the various purposes of
38 taxation. The tax rates shall be calculated to produce substantially the same
39 revenues as required in the annual budget adopted as provided in this
40 chapter. Following the hearing the governing body of each political subdivision
41 shall fix the rates of taxes, the same to be entered in the tax book. Failure of any
42 taxpayer to appear at such hearing shall not prevent the taxpayer from pursuit
43 of any other legal remedy otherwise available to the taxpayer. Nothing in this
44 section absolves political subdivisions of responsibilities under section 137.073,
45 RSMo, nor to adjust tax rates in event changes in assessed valuation occur that
46 would alter the tax rate calculations.

47 3. Each political subdivision of the state shall fix its property tax rates in
48 the manner provided in this section for each fiscal year which begins after
49 December 31, 1976. New or increased tax rates for political subdivisions whose
50 taxes are collected by the county collector approved by voters after September
51 first of any year shall not be included in that year's tax levy except for any new
52 tax rate ceiling approved pursuant to section 71.800, RSMo.

53 **4. In addition to the information required under subsections 1**
54 **and 2 of this section, each political subdivision shall also include the**
55 **increase in tax revenue due to an increase in assessed value as a result**
56 **of new construction and improvement and the increase, both in dollar**
57 **value and percentage, in tax revenue as a result of reassessment if the**
58 **proposed tax rate is adopted.**

137.055. 1. After the assessor's book of each county, except in the city of
2 St. Louis, shall be corrected and adjusted according to law, but not later than
3 September twentieth, of each year, the county governing body shall ascertain the
4 sum necessary to be raised for county purposes, and fix the rate of taxes on the
5 several subjects of taxation so as to raise the required sum, and the same to be
6 entered in the proper columns in the tax book.

7 2. Prior to fixing the rate of taxes, as provided in this section, the county
8 governing body shall hold a public hearing on the proposed rate of taxes. A notice
9 stating the time and place for the hearing shall be published in at least one
10 newspaper qualified under the laws of Missouri of general circulation in the
11 county at least seven days prior to the date of the hearing. The notice shall
12 include the aggregate assessed valuation by category of real, total personal and
13 other tangible property in the county as entered in the tax book for the fiscal year
14 for which the tax is to be levied, the aggregate assessed valuation by category of
15 real, total personal and other tangible property in the county for the preceding
16 taxable year, the required sums to be raised from the property tax for each
17 purpose for which the county levies taxes as approved in the budget adopted
18 under chapter 50, RSMo, [and] the proposed rate of taxes which will produce
19 substantially the same revenues as required by the budget, **and the increase**
20 **in tax revenue realized due to an increase in assessed value as a result**
21 **of new construction and improvement, and the increase, both in dollar**
22 **value and percentage, in tax revenue as a result of reassessment if the**
23 **proposed tax rate is adopted.** Failure of any taxpayer to appear at said
24 hearing shall not prevent the taxpayer from pursuit of any other legal remedy
25 otherwise available to the taxpayer. Nothing in this subsection absolves county
26 governing bodies of responsibilities under section 137.073 nor to adjust tax rates
27 in event changes in assessed valuation occur that would alter the tax rate
28 calculations.

 138.380. It shall be the duty of the state tax commission, and the
2 commissioners shall have authority, to perform all duties enumerated in this
3 section and such other duties as may be provided by law:

4 (1) To raise or lower the assessed valuation of any real or tangible
5 personal property, including the power to raise or lower the assessed valuation
6 of the real or tangible personal property of any individual, copartnership,
7 company, association or corporation; provided, that before any such assessment
8 is so raised, notice of the intention of the commission to raise such assessed
9 valuation and of the time and place at which a hearing thereon will be held, shall
10 be given to such individual, copartnership, company, association or corporation
11 as provided in sections 138.460 and 138.470;

12 (2) To require from any officer in this state, on forms prescribed by the
13 commission, such annual or other reports as shall enable said commission to
14 ascertain the assessed and equalized value of all real and tangible property listed

15 for taxation, the amount of taxes assessed, collected and returned, and such other
16 matter as the commission may require, to the end that it may have complete
17 information concerning the entire subject of revenue and taxation and all matters
18 and things incidental thereto;

19 (3) To cause to be placed upon the assessment rolls at any time during the
20 year omitted property which may be discovered to have, for any reason, escaped
21 assessment and taxation, and to correct any errors that may be found on the
22 assessment rolls and to cause the proper entry to be made thereon;

23 (4) To investigate the tax laws of other states and countries, to formulate
24 and submit to the legislature such recommendations as the commission may deem
25 expedient to prevent evasions of the assessment and taxing laws, whether the tax
26 is specific or general, to secure just, equal and uniform taxes, and improve the
27 system of assessment and taxation in this state;

28 (5) To prescribe the form of all blanks and books that are used in the
29 assessment and collection of the general property tax, except as otherwise
30 provided by law;

31 **(6) To oversee the education and certification of all assessors**
32 **and certain assessor staff as the commission deems appropriate.**

33 **(7) To, no later than January 1, 2008, create or select an existing**
34 **uniform statewide cost system or manual, with the assistance of**
35 **assessors, for the reassessment of property.**

36 **(8) To create a form to be supplied to real estate agents and title**
37 **insurance agents, authorized under chapter 381, RSMo, requesting the**
38 **voluntary disclosure of residential sales information from purchasers**
39 **of residential property to be completed upon closing. Such form may**
40 **be completed by voluntarily providing sales information or by checking**
41 **a box declining to provide such information. Such form shall**
42 **specifically state that the information provided will be held**
43 **confidential, shall not be considered a public document under sections**
44 **610.010 to 610.200, RSMo, and will be used only by the county assessor,**
45 **state tax commission, and county board of equalization to ensure**
46 **accurate reassessments of property in the county. The state tax**
47 **commission shall make such form available on its web site.**

138.395. The state tax commission shall notify each school district of the
2 equivalent sales ratio for the previous year adopted for determining the equalized
3 assessed valuation of the property and the equalized operating levy of the school

4 district for distributions of school foundation formula funds at least thirty days
5 prior to the certification of such ratio to the [department of elementary and
6 secondary education] **joint committee on tax policy**, and shall provide the
7 school district an opportunity for a meeting with the commission, or a duly
8 authorized agent thereof, on such ratio prior to such certification. Prior to
9 January 1, 1997, in certifying said ratios to the [department of elementary and
10 secondary education] **joint committee on tax policy**, the commission shall
11 certify all ratios at thirty-three and one-third percent. On and after January 1,
12 1997, in certifying such ratios to the [department of elementary and secondary
13 education] **joint committee on tax policy**, the commission shall certify all
14 ratios higher than thirty-one and two-thirds percent at thirty-three and one-third
15 percent. On and after January 1, 1998, if the state tax commission, after
16 performing the computation of equivalent sales ratio for the county and
17 recomputing such computation to ensure accuracy, finds that such equivalent
18 sales ratio for the county is less than or equal to thirty-one and two-thirds
19 percent, the state tax commission shall reduce the county's reimbursement by
20 fifteen percent the following year if it is not corrected by subsequent action of the
21 state tax commission.

**381.413. 1. Upon every closing of residential real estate, the title
2 insurance agent or real estate agent shall present to the purchaser the
3 form provided under subsection 8 of section 137.055, RSMo. The title
4 insurance agent or real estate agent shall submit the completed form
5 to the recorder of deeds of the county in which the residential property
6 is situated.**

7 **2. The provisions of subsection 1 of this section shall not apply
8 to residential real estate conveyances within any county with a charter
9 form of government and with more than one million inhabitants, any
10 county with a charter form of government and with more than two
11 hundred fifty thousand but fewer than three hundred fifty thousand
12 inhabitants, any county with a charter form of government and with
13 more than six hundred thousand but fewer than seven hundred
14 thousand inhabitants, and any city not within a county.**

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