

FIRST REGULAR SESSION

# SENATE BILL NO. 554

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR GIBBONS.

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TERRY L. SPIELER, Secretary.

1944S.011

## AN ACT

To repeal sections 21.810, 67.110, 137.055, 138.380, and 138.395, RSMo, and to enact in lieu thereof four 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Section A. Sections 21.810, 67.110, 137.055, 138.380, and 138.395, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 21.810, 67.110, 137.055, and 138.380, to read as follows: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 research, and senate research shall provide necessary clerical, research, fiscal,

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

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 ratio studies of assessed valuation performed by**  
50 **the state tax commission under section 138.380, RSMo, and recommend**  
51 **to the general assembly any legislative action the committee deems**  
52 **necessary to achieve accurate assessed values for real property.**

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

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

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) Conduct periodic ratio studies to determine the quality and**  
34 **level of assessments of real property for each assessment jurisdiction.**

[138.395. The state tax commission shall notify each school  
2 district of the equivalent sales ratio for the previous year adopted  
3 for determining the equalized assessed valuation of the property  
4 and the equalized operating levy of the school district for  
5 distributions of school foundation formula funds at least thirty  
6 days prior to the certification of such ratio to the department of  
7 elementary and secondary education, and shall provide the school  
8 district an opportunity for a meeting with the commission, or a  
9 duly authorized agent thereof, on such ratio prior to such  
10 certification. Prior to January 1, 1997, in certifying said ratios to  
11 the department of elementary and secondary education, the  
12 commission shall certify all ratios at thirty-three and one-third  
13 percent. On and after January 1, 1997, in certifying such ratios to  
14 the department of elementary and secondary education, the  
15 commission shall certify all ratios higher than thirty-one and

16 two-thirds percent at thirty-three and one-third percent. On and  
17 after January 1, 1998, if the state tax commission, after performing  
18 the computation of equivalent sales ratio for the county and  
19 recomputing such computation to ensure accuracy, finds that such  
20 equivalent sales ratio for the county is less than or equal to  
21 thirty-one and two-thirds percent, the state tax commission shall  
22 reduce the county's reimbursement by fifteen percent the following  
23 year if it is not corrected by subsequent action of the state tax  
24 commission.]

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Bill

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