

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 649
AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to personal 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Section A. Section 137.115, RSMo, is repealed and one new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, 2023, in
11 any county with more than four hundred thousand but fewer
12 than five hundred thousand inhabitants, all personal
13 property in such county shall be annually assessed at a
14 percent of its true value in money as of January first of
15 each calendar year as follows:

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

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

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

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

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

46 2. The assessor shall annually assess all real
47 property, including any new construction and improvements to
48 real property, and possessory interests in real property at
49 the percent of its true value in money set in subsection [5]
50 6 of this section. The true value in money of any
51 possessory interest in real property in subclass (3), where
52 such real property is on or lies within the ultimate airport

53 boundary as shown by a federal airport layout plan, as
54 defined by 14 CFR 151.5, of a commercial airport having a
55 FAR Part 139 certification and owned by a political
56 subdivision, shall be the otherwise applicable true value in
57 money of any such possessory interest in real property, less
58 the total dollar amount of costs paid by a party, other than
59 the political subdivision, towards any new construction or
60 improvements on such real property completed after January
61 1, 2008, and which are included in the above-mentioned
62 possessory interest, regardless of the year in which such
63 costs were incurred or whether such costs were considered in
64 any prior year. The assessor shall annually assess all real
65 property in the following manner: new assessed values shall
66 be determined as of January first of each odd-numbered year
67 and shall be entered in the assessor's books; those same
68 assessed values shall apply in the following even-numbered
69 year, except for new construction and property improvements
70 which shall be valued as though they had been completed as
71 of January first of the preceding odd-numbered year. The
72 assessor may call at the office, place of doing business, or
73 residence of each person required by this chapter to list
74 property, and require the person to make a correct statement
75 of all taxable tangible personal property owned by the
76 person or under his or her care, charge or management,
77 taxable in the county. On or before January first of each
78 even-numbered year, the assessor shall prepare and submit a
79 two-year assessment maintenance plan to the county governing
80 body and the state tax commission for their respective
81 approval or modification. The county governing body shall
82 approve and forward such plan or its alternative to the plan
83 to the state tax commission by February first. If the
84 county governing body fails to forward the plan or its
85 alternative to the plan to the state tax commission by

86 February first, the assessor's plan shall be considered
87 approved by the county governing body. If the state tax
88 commission fails to approve a plan and if the state tax
89 commission and the assessor and the governing body of the
90 county involved are unable to resolve the differences, in
91 order to receive state cost-share funds outlined in section
92 137.750, the county or the assessor shall petition the
93 administrative hearing commission, by May first, to decide
94 all matters in dispute regarding the assessment maintenance
95 plan. Upon agreement of the parties, the matter may be
96 stayed while the parties proceed with mediation or
97 arbitration upon terms agreed to by the parties. The final
98 decision of the administrative hearing commission shall be
99 subject to judicial review in the circuit court of the
100 county involved. In the event a valuation of subclass (1)
101 real property within any county with a charter form of
102 government, or within a city not within a county, is made by
103 a computer, computer-assisted method or a computer program,
104 the burden of proof, supported by clear, convincing and
105 cogent evidence to sustain such valuation, shall be on the
106 assessor at any hearing or appeal. In any such county,
107 unless the assessor proves otherwise, there shall be a
108 presumption that the assessment was made by a computer,
109 computer-assisted method or a computer program. Such
110 evidence shall include, but shall not be limited to, the
111 following:

112 (1) The findings of the assessor based on an appraisal
113 of the property by generally accepted appraisal techniques;
114 and

115 (2) The purchase prices from sales of at least three
116 comparable properties and the address or location thereof.
117 As used in this subdivision, the word "comparable" means
118 that:

119 (a) Such sale was closed at a date relevant to the
120 property valuation; and

121 (b) Such properties are not more than one mile from
122 the site of the disputed property, except where no similar
123 properties exist within one mile of the disputed property,
124 the nearest comparable property shall be used. Such
125 property shall be within five hundred square feet in size of
126 the disputed property, and resemble the disputed property in
127 age, floor plan, number of rooms, and other relevant
128 characteristics.

129 [2.] 3. Assessors in each county of this state and the
130 City of St. Louis may send personal property assessment
131 forms through the mail.

132 [3.] 4. The following items of personal property shall
133 each constitute separate subclasses of tangible personal
134 property and shall be assessed and valued for the purposes
135 of taxation at the following percentages of their true value
136 in money:

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

139 (2) Livestock, twelve percent;

140 (3) Farm machinery, twelve percent;

141 (4) Motor vehicles which are eligible for registration
142 as and are registered as historic motor vehicles pursuant to
143 section 301.131 and aircraft which are at least twenty-five
144 years old and which are used solely for noncommercial
145 purposes and are operated less than two hundred hours per
146 year or aircraft that are home built from a kit, five
147 percent;

148 (5) Poultry, twelve percent; and

149 (6) Tools and equipment used for pollution control and
150 tools and equipment used in retooling for the purpose of
151 introducing new product lines or used for making

152 improvements to existing products by any company which is
153 located in a state enterprise zone and which is identified
154 by any standard industrial classification number cited in
155 subdivision (7) of section 135.200, twenty-five percent.

156 [4.] 5. The person listing the property shall enter a
157 true and correct statement of the property, in a printed
158 blank prepared for that purpose. The statement, after being
159 filled out, shall be signed and either affirmed or sworn to
160 as provided in section 137.155. The list shall then be
161 delivered to the assessor.

162 [5.] 6. (1) All subclasses of real property, as such
163 subclasses are established in Section 4(b) of Article X of
164 the Missouri Constitution and defined in section 137.016,
165 shall be assessed at the following percentages of true value:

166 (a) For real property in subclass (1), nineteen
167 percent;

168 (b) For real property in subclass (2), twelve percent;
169 and

170 (c) For real property in subclass (3), thirty-two
171 percent.

172 (2) A taxpayer may apply to the county assessor, or,
173 if not located within a county, then the assessor of such
174 city, for the reclassification of such taxpayer's real
175 property if the use or purpose of such real property is
176 changed after such property is assessed under the provisions
177 of this chapter. If the assessor determines that such
178 property shall be reclassified, he or she shall determine
179 the assessment under this subsection based on the percentage
180 of the tax year that such property was classified in each
181 subclassification.

182 [6.] 7. Manufactured homes, as defined in section
183 700.010, which are actually used as dwelling units shall be
184 assessed at the same percentage of true value as residential

185 real property for the purpose of taxation. The percentage
186 of assessment of true value for such manufactured homes
187 shall be the same as for residential real property. If the
188 county collector cannot identify or find the manufactured
189 home when attempting to attach the manufactured home for
190 payment of taxes owed by the manufactured home owner, the
191 county collector may request the county commission to have
192 the manufactured home removed from the tax books, and such
193 request shall be granted within thirty days after the
194 request is made; however, the removal from the tax books
195 does not remove the tax lien on the manufactured home if it
196 is later identified or found. For purposes of this section,
197 a manufactured home located in a manufactured home rental
198 park, rental community or on real estate not owned by the
199 manufactured home owner shall be considered personal
200 property. For purposes of this section, a manufactured home
201 located on real estate owned by the manufactured home owner
202 may be considered real property.

203 **[7.]** 8. Each manufactured home assessed shall be
204 considered a parcel for the purpose of reimbursement
205 pursuant to section 137.750, unless the manufactured home is
206 deemed to be real estate as defined in subsection 7 of
207 section 442.015 and assessed as a realty improvement to the
208 existing real estate parcel.

209 **[8.]** 9. Any amount of tax due and owing based on the
210 assessment of a manufactured home shall be included on the
211 personal property tax statement of the manufactured home
212 owner unless the manufactured home is deemed to be real
213 estate as defined in subsection 7 of section 442.015, in
214 which case the amount of tax due and owing on the assessment
215 of the manufactured home as a realty improvement to the
216 existing real estate parcel shall be included on the real
217 property tax statement of the real estate owner.

218 [9.] 10. The assessor of each county and each city not
219 within a county shall use the trade-in value published in
220 the October issue of the National Automobile Dealers'
221 Association Official Used Car Guide, or its successor
222 publication, as the recommended guide of information for
223 determining the true value of motor vehicles described in
224 such publication. The assessor shall not use a value that
225 is greater than the average trade-in value in determining
226 the true value of the motor vehicle without performing a
227 physical inspection of the motor vehicle. For vehicles two
228 years old or newer from a vehicle's model year, the assessor
229 may use a value other than average without performing a
230 physical inspection of the motor vehicle. In the absence of
231 a listing for a particular motor vehicle in such
232 publication, the assessor shall use such information or
233 publications which in the assessor's judgment will fairly
234 estimate the true value in money of the motor vehicle.

235 [10.] 11. Before the assessor may increase the
236 assessed valuation of any parcel of subclass (1) real
237 property by more than fifteen percent since the last
238 assessment, excluding increases due to new construction or
239 improvements, the assessor shall conduct a physical
240 inspection of such property.

241 [11.] 12. If a physical inspection is required,
242 pursuant to subsection [10] 11 of this section, the assessor
243 shall notify the property owner of that fact in writing and
244 shall provide the owner clear written notice of the owner's
245 rights relating to the physical inspection. If a physical
246 inspection is required, the property owner may request that
247 an interior inspection be performed during the physical
248 inspection. The owner shall have no less than thirty days
249 to notify the assessor of a request for an interior physical
250 inspection.

251 [12.] 13. A physical inspection, as required by
252 subsection [10] 11 of this section, shall include, but not
253 be limited to, an on-site personal observation and review of
254 all exterior portions of the land and any buildings and
255 improvements to which the inspector has or may reasonably
256 and lawfully gain external access, and shall include an
257 observation and review of the interior of any buildings or
258 improvements on the property upon the timely request of the
259 owner pursuant to subsection [11] 12 of this section. Mere
260 observation of the property via a drive-by inspection or the
261 like shall not be considered sufficient to constitute a
262 physical inspection as required by this section.

263 [13.] 14. A county or city collector may accept credit
264 cards as proper form of payment of outstanding property tax
265 or license due. No county or city collector may charge
266 surcharge for payment by credit card which exceeds the fee
267 or surcharge charged by the credit card bank, processor, or
268 issuer for its service. A county or city collector may
269 accept payment by electronic transfers of funds in payment
270 of any tax or license and charge the person making such
271 payment a fee equal to the fee charged the county by the
272 bank, processor, or issuer of such electronic payment.

273 [14.] 15. Any county or city not within a county in
274 this state may, by an affirmative vote of the governing body
275 of such county, opt out of the provisions of this section
276 and sections 137.073, 138.060, and 138.100 as enacted by
277 house bill no. 1150 of the ninety-first general assembly,
278 second regular session and section 137.073 as modified by
279 house committee substitute for senate substitute for senate
280 committee substitute for senate bill no. 960, ninety-second
281 general assembly, second regular session, for the next year
282 of the general reassessment, prior to January first of any
283 year. No county or city not within a county shall exercise

284 this opt-out provision after implementing the provisions of
285 this section and sections 137.073, 138.060, and 138.100 as
286 enacted by house bill no. 1150 of the ninety-first general
287 assembly, second regular session and section 137.073 as
288 modified by house committee substitute for senate substitute
289 for senate committee substitute for senate bill no. 960,
290 ninety-second general assembly, second regular session, in a
291 year of general reassessment. For the purposes of applying
292 the provisions of this subsection, a political subdivision
293 contained within two or more counties where at least one of
294 such counties has opted out and at least one of such
295 counties has not opted out shall calculate a single tax rate
296 as in effect prior to the enactment of house bill no. 1150
297 of the ninety-first general assembly, second regular
298 session. A governing body of a city not within a county or
299 a county that has opted out under the provisions of this
300 subsection may choose to implement the provisions of this
301 section and sections 137.073, 138.060, and 138.100 as
302 enacted by house bill no. 1150 of the ninety-first general
303 assembly, second regular session, and section 137.073 as
304 modified by house committee substitute for senate substitute
305 for senate committee substitute for senate bill no. 960,
306 ninety-second general assembly, second regular session, for
307 the next year of general reassessment, by an affirmative
308 vote of the governing body prior to December thirty-first of
309 any year.

310 [15.] 16. The governing body of any city of the third
311 classification with more than twenty-six thousand three
312 hundred but fewer than twenty-six thousand seven hundred
313 inhabitants located in any county that has exercised its
314 authority to opt out under subsection [14] 15 of this
315 section may levy separate and differing tax rates for real
316 and personal property only if such city bills and collects

317 its own property taxes or satisfies the entire cost of the
318 billing and collection of such separate and differing tax
319 rates. Such separate and differing rates shall not exceed
320 such city's tax rate ceiling.

321 [16.] 17. Any portion of real property that is
322 available as reserve for strip, surface, or coal mining for
323 minerals for purposes of excavation for future use or sale
324 to others that has not been bonded and permitted under
325 chapter 444 shall be assessed based upon how the real
326 property is currently being used. Any information provided
327 to a county assessor, state tax commission, state agency, or
328 political subdivision responsible for the administration of
329 tax policies shall, in the performance of its duties, make
330 available all books, records, and information requested,
331 except such books, records, and information as are by law
332 declared confidential in nature, including individually
333 identifiable information regarding a specific taxpayer or
334 taxpayer's mine property. For purposes of this subsection,
335 "mine property" shall mean all real property that is in use
336 or readily available as a reserve for strip, surface, or
337 coal mining for minerals for purposes of excavation for
338 current or future use or sale to others that has been bonded
339 and permitted under chapter 444.