

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 8
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Section A. Section 137.115, RSMo, is repealed and one new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, for all calendar years
8 ending on or before December 31, 2023, the assessor shall
9 annually assess all personal property at thirty-three and
10 one-third percent of its true value in money as of January
11 first of each calendar year. Except as otherwise provided
12 in subsection 3 of this section and section 137.078, for all
13 calendar years beginning on or after January 1, 2024, the
14 assessor shall annually assess all personal property at
15 thirty-one percent of its true value in money as of January
16 first of each calendar year. The assessor shall annually
17 assess all real property, including any new construction and
18 improvements to real property, and possessory interests in
19 real property at the percent of its true value in money set

20 in subsection 5 of this section. The true value in money of
21 any possessory interest in real property in subclass (3),
22 where such real property is on or lies within the ultimate
23 airport boundary as shown by a federal airport layout plan,
24 as defined by 14 CFR 151.5, of a commercial airport having a
25 FAR Part 139 certification and owned by a political
26 subdivision, shall be the otherwise applicable true value in
27 money of any such possessory interest in real property, less
28 the total dollar amount of costs paid by a party, other than
29 the political subdivision, towards any new construction or
30 improvements on such real property completed after January
31 1, 2008, and which are included in the above-mentioned
32 possessory interest, regardless of the year in which such
33 costs were incurred or whether such costs were considered in
34 any prior year. The assessor shall annually assess all real
35 property in the following manner: new assessed values shall
36 be determined as of January first of each odd-numbered year
37 and shall be entered in the assessor's books; those same
38 assessed values shall apply in the following even-numbered
39 year, except for new construction and property improvements
40 which shall be valued as though they had been completed as
41 of January first of the preceding odd-numbered year. The
42 assessor may call at the office, place of doing business, or
43 residence of each person required by this chapter to list
44 property, and require the person to make a correct statement
45 of all taxable tangible personal property owned by the
46 person or under his or her care, charge or management,
47 taxable in the county. On or before January first of each
48 even-numbered year, the assessor shall prepare and submit a
49 two-year assessment maintenance plan to the county governing
50 body and the state tax commission for their respective
51 approval or modification. The county governing body shall
52 approve and forward such plan or its alternative to the plan

53 to the state tax commission by February first. If the
54 county governing body fails to forward the plan or its
55 alternative to the plan to the state tax commission by
56 February first, the assessor's plan shall be considered
57 approved by the county governing body. If the state tax
58 commission fails to approve a plan and if the state tax
59 commission and the assessor and the governing body of the
60 county involved are unable to resolve the differences, in
61 order to receive state cost-share funds outlined in section
62 137.750, the county or the assessor shall petition the
63 administrative hearing commission, by May first, to decide
64 all matters in dispute regarding the assessment maintenance
65 plan. Upon agreement of the parties, the matter may be
66 stayed while the parties proceed with mediation or
67 arbitration upon terms agreed to by the parties. The final
68 decision of the administrative hearing commission shall be
69 subject to judicial review in the circuit court of the
70 county involved. In the event a valuation of subclass (1)
71 real property within any county with a charter form of
72 government, or within a city not within a county, is made by
73 a computer, computer-assisted method or a computer program,
74 the burden of proof, supported by clear, convincing and
75 cogent evidence to sustain such valuation, shall be on the
76 assessor at any hearing or appeal. In any such county,
77 unless the assessor proves otherwise, there shall be a
78 presumption that the assessment was made by a computer,
79 computer-assisted method or a computer program. Such
80 evidence shall include, but shall not be limited to, the
81 following:

82 (1) The findings of the assessor based on an appraisal
83 of the property by generally accepted appraisal techniques;
84 and

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

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

91 (b) Such properties are not more than one mile from
92 the site of the disputed property, except where no similar
93 properties exist within one mile of the disputed property,
94 the nearest comparable property shall be used. Such
95 property shall be within five hundred square feet in size of
96 the disputed property, and resemble the disputed property in
97 age, floor plan, number of rooms, and other relevant
98 characteristics.

99 2. Assessors in each county of this state and the City
100 of St. Louis may send personal property assessment forms
101 through the mail.

102 3. The following items of personal property shall each
103 constitute separate subclasses of tangible personal property
104 and shall be assessed and valued for the purposes of
105 taxation at the following percentages of their true value in
106 money:

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

109 (2) Livestock, twelve percent;

110 (3) Farm machinery, twelve percent;

111 (4) Motor vehicles which are eligible for registration
112 as and are registered as historic motor vehicles pursuant to
113 section 301.131 and aircraft which are at least twenty-five
114 years old and which are used solely for noncommercial
115 purposes and are operated less than two hundred hours per
116 year or aircraft that are home built from a kit, five
117 percent;

118 (5) Poultry, twelve percent; and
119 (6) Tools and equipment used for pollution control and
120 tools and equipment used in retooling for the purpose of
121 introducing new product lines or used for making
122 improvements to existing products by any company which is
123 located in a state enterprise zone and which is identified
124 by any standard industrial classification number cited in
125 subdivision (7) of section 135.200, twenty-five percent.

126 4. The person listing the property shall enter a true
127 and correct statement of the property, in a printed blank
128 prepared for that purpose. The statement, after being
129 filled out, shall be signed and either affirmed or sworn to
130 as provided in section 137.155. The list shall then be
131 delivered to the assessor.

132 5. (1) All subclasses of real property, as such
133 subclasses are established in Section 4(b) of Article X of
134 the Missouri Constitution and defined in section 137.016,
135 shall be assessed at the following percentages of true value:

136 (a) For real property in subclass (1), nineteen
137 percent;

138 (b) For real property in subclass (2), twelve percent;
139 and

140 (c) For real property in subclass (3), thirty-two
141 percent.

142 (2) A taxpayer may apply to the county assessor, or,
143 if not located within a county, then the assessor of such
144 city, for the reclassification of such taxpayer's real
145 property if the use or purpose of such real property is
146 changed after such property is assessed under the provisions
147 of this chapter. If the assessor determines that such
148 property shall be reclassified, he or she shall determine
149 the assessment under this subsection based on the percentage

150 of the tax year that such property was classified in each
151 subclassification.

152 6. Manufactured homes, as defined in section 700.010,
153 which are actually used as dwelling units shall be assessed
154 at the same percentage of true value as residential real
155 property for the purpose of taxation. The percentage of
156 assessment of true value for such manufactured homes shall
157 be the same as for residential real property. If the county
158 collector cannot identify or find the manufactured home when
159 attempting to attach the manufactured home for payment of
160 taxes owed by the manufactured home owner, the county
161 collector may request the county commission to have the
162 manufactured home removed from the tax books, and such
163 request shall be granted within thirty days after the
164 request is made; however, the removal from the tax books
165 does not remove the tax lien on the manufactured home if it
166 is later identified or found. For purposes of this section,
167 a manufactured home located in a manufactured home rental
168 park, rental community or on real estate not owned by the
169 manufactured home owner shall be considered personal
170 property. For purposes of this section, a manufactured home
171 located on real estate owned by the manufactured home owner
172 may be considered real property.

173 7. Each manufactured home assessed shall be considered
174 a parcel for the purpose of reimbursement pursuant to
175 section 137.750, unless the manufactured home is deemed to
176 be real estate as defined in subsection 7 of section 442.015
177 and assessed as a realty improvement to the existing real
178 estate parcel.

179 8. Any amount of tax due and owing based on the
180 assessment of a manufactured home shall be included on the
181 personal property tax statement of the manufactured home
182 owner unless the manufactured home is deemed to be real

183 estate as defined in subsection 7 of section 442.015, in
184 which case the amount of tax due and owing on the assessment
185 of the manufactured home as a realty improvement to the
186 existing real estate parcel shall be included on the real
187 property tax statement of the real estate owner.

188 9. The assessor of each county and each city not
189 within a county shall use the [trade-in value published in
190 the October issue of the National Automobile Dealers'
191 Association Official Used Car Guide, or its successor
192 publication, as the recommended guide of information for
193 determining the true value of motor vehicles described in
194 such publication. The assessor shall not use a value that
195 is greater than the average trade-in value in determining
196 the true value of the motor vehicle without performing a
197 physical inspection of the motor vehicle. For vehicles two
198 years old or newer from a vehicle's model year, the assessor
199 may use a value other than average without performing a
200 physical inspection of the motor vehicle. In the absence of
201 a listing for a particular motor vehicle in such
202 publication, the assessor shall use such information or
203 publications which in the assessor's judgment will fairly
204 estimate the true value in money of the motor vehicle.]
205 manufacturer's suggested retail price for the year of
206 manufacture of the vehicle, and shall apply the following
207 depreciation schedule to such value to determine the motor
208 vehicle's true value in money:

209	<u>Years since manufacture</u>	<u>Percent Depreciation</u>
210	<u>Current</u>	<u>15</u>
211	<u>1</u>	<u>25</u>
212	<u>2</u>	<u>35</u>
213	<u>3</u>	<u>45</u>
214	<u>4</u>	<u>55</u>

215	<u>5</u>	<u>65</u>
216	<u>6</u>	<u>75</u>
217	<u>7</u>	<u>85</u>
218	<u>8</u>	<u>95</u>
219	<u>9</u>	<u>Minimum value three</u>
220		<u>hundred dollars</u>

221 The state tax commission shall, with the assistance of the
222 Missouri state assessor's association, develop the bid
223 specifications to secure the original manufacturer's
224 suggested retail price from a nationally recognized
225 service. The state tax commission shall secure an annual
226 appropriation from the general assembly for the guide and
227 the programming necessary to allow valuation by vehicle
228 identification number in all certified mass appraisal
229 software systems used in the state. The state tax
230 commission or the state of Missouri shall be the registered
231 user of the value guide with rights to allow all assessors
232 access to the guide and to an online site. The state tax
233 commission or the state of Missouri shall be responsible for
234 renewals and annual software cost for preparing the data in
235 a usable format for approved personal property software
236 vendors in the state. If a county creates its own software,
237 it shall meet the same standards as the approved vendors.
238 The data shall be available to all vendors by November
239 fifteenth annually. All vendors shall have the data
240 available for use in their client counties by December
241 fifteenth prior to the January first assessment date. When
242 the manufacturer's suggested retail price data is not
243 available from the approved source or the assessor deems it
244 not appropriate for the vehicle value he or she is valuing,
245 the assessor may obtain a manufacturer's suggested retail

246 price from a source he or she deems reliable and apply the
247 depreciation schedule set out above.

248 10. Before the assessor may increase the assessed
249 valuation of any parcel of subclass (1) real property by
250 more than fifteen percent since the last assessment,
251 excluding increases due to new construction or improvements,
252 the assessor shall conduct a physical inspection of such
253 property.

254 11. If a physical inspection is required, pursuant to
255 subsection 10 of this section, the assessor shall notify the
256 property owner of that fact in writing and shall provide the
257 owner clear written notice of the owner's rights relating to
258 the physical inspection. If a physical inspection is
259 required, the property owner may request that an interior
260 inspection be performed during the physical inspection. The
261 owner shall have no less than thirty days to notify the
262 assessor of a request for an interior physical inspection.

263 12. A physical inspection, as required by subsection
264 10 of this section, shall include, but not be limited to, an
265 on-site personal observation and review of all exterior
266 portions of the land and any buildings and improvements to
267 which the inspector has or may reasonably and lawfully gain
268 external access, and shall include an observation and review
269 of the interior of any buildings or improvements on the
270 property upon the timely request of the owner pursuant to
271 subsection 11 of this section. Mere observation of the
272 property via a drive-by inspection or the like shall not be
273 considered sufficient to constitute a physical inspection as
274 required by this section.

275 13. A county or city collector may accept credit cards
276 as proper form of payment of outstanding property tax or
277 license due. No county or city collector may charge
278 surcharge for payment by credit card which exceeds the fee

279 or surcharge charged by the credit card bank, processor, or
280 issuer for its service. A county or city collector may
281 accept payment by electronic transfers of funds in payment
282 of any tax or license and charge the person making such
283 payment a fee equal to the fee charged the county by the
284 bank, processor, or issuer of such electronic payment.

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

312 subsection may choose to implement the provisions of this
313 section and sections 137.073, 138.060, and 138.100 as
314 enacted by house bill no. 1150 of the ninety-first general
315 assembly, second regular session, and section 137.073 as
316 modified by house committee substitute for senate substitute
317 for senate committee substitute for senate bill no. 960,
318 ninety-second general assembly, second regular session, for
319 the next year of general reassessment, by an affirmative
320 vote of the governing body prior to December thirty-first of
321 any year.

322 15. The governing body of any city of the third
323 classification with more than twenty-six thousand three
324 hundred but fewer than twenty-six thousand seven hundred
325 inhabitants located in any county that has exercised its
326 authority to opt out under subsection 14 of this section may
327 levy separate and differing tax rates for real and personal
328 property only if such city bills and collects its own
329 property taxes or satisfies the entire cost of the billing
330 and collection of such separate and differing tax rates.
331 Such separate and differing rates shall not exceed such
332 city's tax rate ceiling.

333 16. Any portion of real property that is available as
334 reserve for strip, surface, or coal mining for minerals for
335 purposes of excavation for future use or sale to others that
336 has not been bonded and permitted under chapter 444 shall be
337 assessed based upon how the real property is currently being
338 used. Any information provided to a county assessor, state
339 tax commission, state agency, or political subdivision
340 responsible for the administration of tax policies shall, in
341 the performance of its duties, make available all books,
342 records, and information requested, except such books,
343 records, and information as are by law declared confidential
344 in nature, including individually identifiable information

345 regarding a specific taxpayer or taxpayer's mine property.
346 For purposes of this subsection, "mine property" shall mean
347 all real property that is in use or readily available as a
348 reserve for strip, surface, or coal mining for minerals for
349 purposes of excavation for current or future use or sale to
350 others that has been bonded and permitted under chapter 444.