

SENATE SUBSTITUTE
FOR
SENATE BILL NO. 105
AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to the assessment of real property.

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Section A. Section 137.115, RSMo, is repealed and one new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. The assessor shall annually
11 assess all real property, including any new construction and
12 improvements to real property, and possessory interests in
13 real property at the percent of its true value in money set
14 in subsection 5 of this section. The true value in money of
15 any possessory interest in real property in subclass (3),
16 where such real property is on or lies within the ultimate
17 airport boundary as shown by a federal airport layout plan,
18 as defined by 14 CFR 151.5, of a commercial airport having a
19 FAR Part 139 certification and owned by a political
20 subdivision, shall be the otherwise applicable true value in
21 money of any such possessory interest in real property, less

22 the total dollar amount of costs paid by a party, other than
23 the political subdivision, towards any new construction or
24 improvements on such real property completed after January
25 1, 2008, and which are included in the above-mentioned
26 possessory interest, regardless of the year in which such
27 costs were incurred or whether such costs were considered in
28 any prior year. The assessor shall annually assess all real
29 property in the following manner: new assessed values shall
30 be determined as of January first of each odd-numbered year
31 and shall be entered in the assessor's books; those same
32 assessed values shall apply in the following even-numbered
33 year, except for new construction and property improvements
34 which shall be valued as though they had been completed as
35 of January first of the preceding odd-numbered year. The
36 assessor may call at the office, place of doing business, or
37 residence of each person required by this chapter to list
38 property, and require the person to make a correct statement
39 of all taxable tangible personal property owned by the
40 person or under his or her care, charge or management,
41 taxable in the county. On or before January first of each
42 even-numbered year, the assessor shall prepare and submit a
43 two-year assessment maintenance plan to the county governing
44 body and the state tax commission for their respective
45 approval or modification. The county governing body shall
46 approve and forward such plan or its alternative to the plan
47 to the state tax commission by February first. If the
48 county governing body fails to forward the plan or its
49 alternative to the plan to the state tax commission by
50 February first, the assessor's plan shall be considered
51 approved by the county governing body. If the state tax
52 commission fails to approve a plan and if the state tax
53 commission and the assessor and the governing body of the
54 county involved are unable to resolve the differences, in

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

76 (1) The findings of the assessor based on an appraisal
77 of the property by generally accepted appraisal techniques;
78 and

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

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

85 (b) Such properties are not more than one mile from
86 the site of the disputed property, except where no similar
87 properties exist within one mile of the disputed property,

88 the nearest comparable property shall be used. Such
89 property shall be within five hundred square feet in size of
90 the disputed property, and resemble the disputed property in
91 age, floor plan, number of rooms, and other relevant
92 characteristics.

93 2. Assessors in each county of this state and the City
94 of St. Louis may send personal property assessment forms
95 through the mail.

96 3. The following items of personal property shall each
97 constitute separate subclasses of tangible personal property
98 and shall be assessed and valued for the purposes of
99 taxation at the following percentages of their true value in
100 money:

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

103 (2) Livestock, twelve percent;

104 (3) Farm machinery, twelve percent;

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

112 (5) Poultry, twelve percent; and

113 (6) Tools and equipment used for pollution control and
114 tools and equipment used in retooling for the purpose of
115 introducing new product lines or used for making
116 improvements to existing products by any company which is
117 located in a state enterprise zone and which is identified
118 by any standard industrial classification number cited in
119 subdivision (7) of section 135.200, twenty-five percent.

120 4. The person listing the property shall enter a true
121 and correct statement of the property, in a printed blank
122 prepared for that purpose. The statement, after being
123 filled out, shall be signed and either affirmed or sworn to
124 as provided in section 137.155. The list shall then be
125 delivered to the assessor.

126 5. (1) All subclasses of real property, as such
127 subclasses are established in Section 4(b) of Article X of
128 the Missouri Constitution and defined in section 137.016,
129 shall be assessed at the following percentages of true value:

130 (a) For all calendar years ending on or before
131 December 31, 2023, for real property in subclass (1),
132 nineteen percent. For all calendar years beginning on or
133 after January 1, 2024, and ending on or before December 31,
134 2030, the percentage of true value at which real property in
135 subclass (1) is assessed shall be reduced by one-half of one
136 percent per year. For all calendar years beginning on or
137 after January 1, 2031, real property in subclass (1) shall
138 be assessed at fifteen percent of its true value;

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

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

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

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

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

180 8. Any amount of tax due and owing based on the
181 assessment of a manufactured home shall be included on the
182 personal property tax statement of the manufactured home
183 owner unless the manufactured home is deemed to be real
184 estate as defined in subsection 7 of section 442.015, in
185 which case the amount of tax due and owing on the assessment

186 of the manufactured home as a realty improvement to the
187 existing real estate parcel shall be included on the real
188 property tax statement of the real estate owner.

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

206 10. Before the assessor may increase the assessed
207 valuation of any parcel of subclass (1) real property by
208 more than fifteen percent since the last assessment,
209 excluding increases due to new construction or improvements,
210 the assessor shall conduct a physical inspection of such
211 property.

212 11. If a physical inspection is required, pursuant to
213 subsection 10 of this section, the assessor shall notify the
214 property owner of that fact in writing and shall provide the
215 owner clear written notice of the owner's rights relating to
216 the physical inspection. If a physical inspection is
217 required, the property owner may request that an interior
218 inspection be performed during the physical inspection. The

219 owner shall have no less than thirty days to notify the
220 assessor of a request for an interior physical inspection.

221 12. A physical inspection, as required by subsection
222 10 of this section, shall include, but not be limited to, an
223 on-site personal observation and review of all exterior
224 portions of the land and any buildings and improvements to
225 which the inspector has or may reasonably and lawfully gain
226 external access, and shall include an observation and review
227 of the interior of any buildings or improvements on the
228 property upon the timely request of the owner pursuant to
229 subsection 11 of this section. Mere observation of the
230 property via a drive-by inspection or the like shall not be
231 considered sufficient to constitute a physical inspection as
232 required by this section.

233 13. A county or city collector may accept credit cards
234 as proper form of payment of outstanding property tax or
235 license due. No county or city collector may charge
236 surcharge for payment by credit card which exceeds the fee
237 or surcharge charged by the credit card bank, processor, or
238 issuer for its service. A county or city collector may
239 accept payment by electronic transfers of funds in payment
240 of any tax or license and charge the person making such
241 payment a fee equal to the fee charged the county by the
242 bank, processor, or issuer of such electronic payment.

243 14. Any county or city not within a county in this
244 state may, by an affirmative vote of the governing body of
245 such county, opt out of the provisions of this section and
246 sections 137.073, 138.060, and 138.100 as enacted by house
247 bill no. 1150 of the ninety-first general assembly, second
248 regular session and section 137.073 as modified by house
249 committee substitute for senate substitute for senate
250 committee substitute for senate bill no. 960, ninety-second
251 general assembly, second regular session, for the next year

252 of the general reassessment, prior to January first of any
253 year. No county or city not within a county shall exercise
254 this opt-out provision after implementing the provisions of
255 this section and sections 137.073, 138.060, and 138.100 as
256 enacted by house bill no. 1150 of the ninety-first general
257 assembly, second regular session and section 137.073 as
258 modified by house committee substitute for senate substitute
259 for senate committee substitute for senate bill no. 960,
260 ninety-second general assembly, second regular session, in a
261 year of general reassessment. For the purposes of applying
262 the provisions of this subsection, a political subdivision
263 contained within two or more counties where at least one of
264 such counties has opted out and at least one of such
265 counties has not opted out shall calculate a single tax rate
266 as in effect prior to the enactment of house bill no. 1150
267 of the ninety-first general assembly, second regular
268 session. A governing body of a city not within a county or
269 a county that has opted out under the provisions of this
270 subsection may choose to implement the provisions of this
271 section and sections 137.073, 138.060, and 138.100 as
272 enacted by house bill no. 1150 of the ninety-first general
273 assembly, second regular session, and section 137.073 as
274 modified by house committee substitute for senate substitute
275 for senate committee substitute for senate bill no. 960,
276 ninety-second general assembly, second regular session, for
277 the next year of general reassessment, by an affirmative
278 vote of the governing body prior to December thirty-first of
279 any year.

280 15. The governing body of any city of the third
281 classification with more than twenty-six thousand three
282 hundred but fewer than twenty-six thousand seven hundred
283 inhabitants located in any county that has exercised its
284 authority to opt out under subsection 14 of this section may

285 levy separate and differing tax rates for real and personal
286 property only if such city bills and collects its own
287 property taxes or satisfies the entire cost of the billing
288 and collection of such separate and differing tax rates.
289 Such separate and differing rates shall not exceed such
290 city's tax rate ceiling.

291 16. Any portion of real property that is available as
292 reserve for strip, surface, or coal mining for minerals for
293 purposes of excavation for future use or sale to others that
294 has not been bonded and permitted under chapter 444 shall be
295 assessed based upon how the real property is currently being
296 used. Any information provided to a county assessor, state
297 tax commission, state agency, or political subdivision
298 responsible for the administration of tax policies shall, in
299 the performance of its duties, make available all books,
300 records, and information requested, except such books,
301 records, and information as are by law declared confidential
302 in nature, including individually identifiable information
303 regarding a specific taxpayer or taxpayer's mine property.
304 For purposes of this subsection, "mine property" shall mean
305 all real property that is in use or readily available as a
306 reserve for strip, surface, or coal mining for minerals for
307 purposes of excavation for current or future use or sale to
308 others that has been bonded and permitted under chapter 444.