

FIRST REGULAR SESSION

# SENATE BILL NO. 104

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

0685S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to the assessment of personal 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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, **for all calendar years ending on or before December 31, 2023**, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. **For all calendar years beginning on or after January 1, 2024, and ending on or before December 31, 2035, except as otherwise provided in subsection 3 of this section and section 137.078, the percent of true value at which the assessor shall annually assess all personal property shall be reduced by one percent per year. For all calendar years beginning on or after January 1, 2036, except as otherwise provided in subsection**

19 **3 of this section and section 137.078, the assessor shall**  
20 **annually assess all personal property at twenty percent of**  
21 **its true value in money as of January first of each calendar**  
22 **year.** The assessor shall annually assess all real property,  
23 including any new construction and improvements to real  
24 property, and possessory interests in real property at the  
25 percent of its true value in money set in subsection 5 of  
26 this section. The true value in money of any possessory  
27 interest in real property in subclass (3), where such real  
28 property is on or lies within the ultimate airport boundary  
29 as shown by a federal airport layout plan, as defined by 14  
30 CFR 151.5, of a commercial airport having a FAR Part 139  
31 certification and owned by a political subdivision, shall be  
32 the otherwise applicable true value in money of any such  
33 possessory interest in real property, less the total dollar  
34 amount of costs paid by a party, other than the political  
35 subdivision, towards any new construction or improvements on  
36 such real property completed after January 1, 2008, and  
37 which are included in the above-mentioned possessory  
38 interest, regardless of the year in which such costs were  
39 incurred or whether such costs were considered in any prior  
40 year. The assessor shall annually assess all real property  
41 in the following manner: new assessed values shall be  
42 determined as of January first of each odd-numbered year and  
43 shall be entered in the assessor's books; those same  
44 assessed values shall apply in the following even-numbered  
45 year, except for new construction and property improvements  
46 which shall be valued as though they had been completed as  
47 of January first of the preceding odd-numbered year. The  
48 assessor may call at the office, place of doing business, or  
49 residence of each person required by this chapter to list  
50 property, and require the person to make a correct statement

51 of all taxable tangible personal property owned by the  
52 person or under his or her care, charge or management,  
53 taxable in the county. On or before January first of each  
54 even-numbered year, the assessor shall prepare and submit a  
55 two-year assessment maintenance plan to the county governing  
56 body and the state tax commission for their respective  
57 approval or modification. The county governing body shall  
58 approve and forward such plan or its alternative to the plan  
59 to the state tax commission by February first. If the  
60 county governing body fails to forward the plan or its  
61 alternative to the plan to the state tax commission by  
62 February first, the assessor's plan shall be considered  
63 approved by the county governing body. If the state tax  
64 commission fails to approve a plan and if the state tax  
65 commission and the assessor and the governing body of the  
66 county involved are unable to resolve the differences, in  
67 order to receive state cost-share funds outlined in section  
68 137.750, the county or the assessor shall petition the  
69 administrative hearing commission, by May first, to decide  
70 all matters in dispute regarding the assessment maintenance  
71 plan. Upon agreement of the parties, the matter may be  
72 stayed while the parties proceed with mediation or  
73 arbitration upon terms agreed to by the parties. The final  
74 decision of the administrative hearing commission shall be  
75 subject to judicial review in the circuit court of the  
76 county involved. In the event a valuation of subclass (1)  
77 real property within any county with a charter form of  
78 government, or within a city not within a county, is made by  
79 a computer, computer-assisted method or a computer program,  
80 the burden of proof, supported by clear, convincing and  
81 cogent evidence to sustain such valuation, shall be on the  
82 assessor at any hearing or appeal. In any such county,

83 unless the assessor proves otherwise, there shall be a  
84 presumption that the assessment was made by a computer,  
85 computer-assisted method or a computer program. Such  
86 evidence shall include, but shall not be limited to, the  
87 following:

88 (1) The findings of the assessor based on an appraisal  
89 of the property by generally accepted appraisal techniques;  
90 and

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

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

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

105 2. Assessors in each county of this state and the City  
106 of St. Louis may send personal property assessment forms  
107 through the mail.

108 3. The following items of personal property shall each  
109 constitute separate subclasses of tangible personal property  
110 and shall be assessed and valued for the purposes of  
111 taxation at the following percentages of their true value in  
112 money:

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

115           (2) Livestock, twelve percent;  
116           (3) Farm machinery, twelve percent;  
117           (4) Motor vehicles which are eligible for registration  
118 as and are registered as historic motor vehicles pursuant to  
119 section 301.131 and aircraft which are at least twenty-five  
120 years old and which are used solely for noncommercial  
121 purposes and are operated less than two hundred hours per  
122 year or aircraft that are home built from a kit, five  
123 percent;

124           (5) Poultry, twelve percent; and

125           (6) Tools and equipment used for pollution control and  
126 tools and equipment used in retooling for the purpose of  
127 introducing new product lines or used for making  
128 improvements to existing products by any company which is  
129 located in a state enterprise zone and which is identified  
130 by any standard industrial classification number cited in  
131 subdivision (7) of section 135.200, twenty-five percent.

132           4. The person listing the property shall enter a true  
133 and correct statement of the property, in a printed blank  
134 prepared for that purpose. The statement, after being  
135 filled out, shall be signed and either affirmed or sworn to  
136 as provided in section 137.155. The list shall then be  
137 delivered to the assessor.

138           5. (1) All subclasses of real property, as such  
139 subclasses are established in Section 4(b) of Article X of  
140 the Missouri Constitution and defined in section 137.016,  
141 shall be assessed at the following percentages of true value:

142           (a) For real property in subclass (1), nineteen  
143 percent;

144           (b) For real property in subclass (2), twelve percent;  
145 and

146 (c) For real property in subclass (3), thirty-two  
147 percent.

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

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

177 located on real estate owned by the manufactured home owner  
178 may be considered real property.

179         7. Each manufactured home assessed shall be considered  
180 a parcel for the purpose of reimbursement pursuant to  
181 section 137.750, unless the manufactured home is deemed to  
182 be real estate as defined in subsection 7 of section 442.015  
183 and assessed as a realty improvement to the existing real  
184 estate parcel.

185         8. Any amount of tax due and owing based on the  
186 assessment of a manufactured home shall be included on the  
187 personal property tax statement of the manufactured home  
188 owner unless the manufactured home is deemed to be real  
189 estate as defined in subsection 7 of section 442.015, in  
190 which case the amount of tax due and owing on the assessment  
191 of the manufactured home as a realty improvement to the  
192 existing real estate parcel shall be included on the real  
193 property tax statement of the real estate owner.

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

209 publications which in the assessor's judgment will fairly  
210 estimate the true value in money of the motor vehicle.

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

217 11. If a physical inspection is required, pursuant to  
218 subsection 10 of this section, the assessor shall notify the  
219 property owner of that fact in writing and shall provide the  
220 owner clear written notice of the owner's rights relating to  
221 the physical inspection. If a physical inspection is  
222 required, the property owner may request that an interior  
223 inspection be performed during the physical inspection. The  
224 owner shall have no less than thirty days to notify the  
225 assessor of a request for an interior physical inspection.

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

238 13. A county or city collector may accept credit cards  
239 as proper form of payment of outstanding property tax or  
240 license due. No county or city collector may charge



241 surcharge for payment by credit card which exceeds the fee  
242 or surcharge charged by the credit card bank, processor, or  
243 issuer for its service. A county or city collector may  
244 accept payment by electronic transfers of funds in payment  
245 of any tax or license and charge the person making such  
246 payment a fee equal to the fee charged the county by the  
247 bank, processor, or issuer of such electronic payment.

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

273 session. A governing body of a city not within a county or  
274 a county that has opted out under the provisions of this  
275 subsection may choose to implement the provisions of this  
276 section and sections 137.073, 138.060, and 138.100 as  
277 enacted by house bill no. 1150 of the ninety-first general  
278 assembly, second regular session, and section 137.073 as  
279 modified by house committee substitute for senate substitute  
280 for senate committee substitute for senate bill no. 960,  
281 ninety-second general assembly, second regular session, for  
282 the next year of general reassessment, by an affirmative  
283 vote of the governing body prior to December thirty-first of  
284 any year.

285 15. The governing body of any city of the third  
286 classification with more than twenty-six thousand three  
287 hundred but fewer than twenty-six thousand seven hundred  
288 inhabitants located in any county that has exercised its  
289 authority to opt out under subsection 14 of this section may  
290 levy separate and differing tax rates for real and personal  
291 property only if such city bills and collects its own  
292 property taxes or satisfies the entire cost of the billing  
293 and collection of such separate and differing tax rates.  
294 Such separate and differing rates shall not exceed such  
295 city's tax rate ceiling.

296 16. Any portion of real property that is available as  
297 reserve for strip, surface, or coal mining for minerals for  
298 purposes of excavation for future use or sale to others that  
299 has not been bonded and permitted under chapter 444 shall be  
300 assessed based upon how the real property is currently being  
301 used. Any information provided to a county assessor, state  
302 tax commission, state agency, or political subdivision  
303 responsible for the administration of tax policies shall, in  
304 the performance of its duties, make available all books,

305 records, and information requested, except such books,  
306 records, and information as are by law declared confidential  
307 in nature, including individually identifiable information  
308 regarding a specific taxpayer or taxpayer's mine property.  
309 For purposes of this subsection, "mine property" shall mean  
310 all real property that is in use or readily available as a  
311 reserve for strip, surface, or coal mining for minerals for  
312 purposes of excavation for current or future use or sale to  
313 others that has been bonded and permitted under chapter 444.

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