

FIRST REGULAR SESSION

# SENATE BILL NO. 105

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

0684S.01I

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 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Section A. Section 137.115, RSMo, is repealed and one new  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 **2026, the percentage of true value at which real property in**  
135 **subclass (1) is assessed shall be reduced by one percent per**  
136 **year. For all calendar years beginning on or after January**  
137 **1, 2027, real property shall be assessed at fifteen percent**  
138 **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.

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