

SENATE BILL NO. 414

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

0553S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 137.010, 137.080, and 137.115, RSMo, and to enact in lieu thereof three new sections relating to the assessment of solar property.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 137.010, 137.080, and 137.115, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 137.010, 137.080, and 137.115, to read as follows:

137.010. The following words, terms and phrases when used in laws governing taxation and revenue in the state of Missouri shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

- (1) "Grain and other agricultural crops in an unmanufactured condition" shall mean grains and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, kafir, rye, flax, grain sorghums, cotton, and such other products as are usually stored in grain and other elevators and on farms; but excluding such grains and other agricultural crops after being processed into products of such processing, when packaged or sacked. The term "processing" shall not include hulling, cleaning, drying, grating, or polishing;
- (2) "Hydroelectric power generating equipment", very-low-head turbine generators with a nameplate generating

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 capacity of at least four hundred kilowatts but not more
19 than six hundred kilowatts and machinery and equipment used
20 directly in the production, generation, conversion, storage,
21 or conveyance of hydroelectric power to land-based devices
22 and appurtenances used in the transmission of electrical
23 energy;

24 (3) "Intangible personal property", for the purpose of
25 taxation, shall include all property other than real
26 property and tangible personal property, as defined by this
27 section;

28 (4) "Real property" includes land itself, whether laid
29 out in town lots or otherwise, and all growing crops,
30 buildings, structures, improvements and fixtures of whatever
31 kind thereon, hydroelectric power generating equipment, the
32 installed poles used in the transmission or reception of
33 electrical energy, audio signals, video signals or similar
34 purposes, provided the owner of such installed poles is also
35 an owner of a fee simple interest, possessor of an easement,
36 holder of a license or franchise, or is the beneficiary of a
37 right-of-way dedicated for public utility purposes for the
38 underlying land; attached wires, transformers, amplifiers,
39 substations, and other such devices and appurtenances used
40 in the transmission or reception of electrical energy, audio
41 signals, video signals or similar purposes when owned by the
42 owner of the installed poles, otherwise such items are
43 considered personal property; and stationary property used
44 for transportation or storage of liquid and gaseous
45 products, including, but not limited to, petroleum products,
46 natural gas, propane or LP gas equipment, water, and sewage;

47 (5) "Reliever airport", any land and improvements,
48 exclusive of structures, on privately owned airports that
49 qualify as reliever airports under the National Plan of

50 Integrated Airport Systems that may receive federal airport
51 improvement project funds through the Federal Aviation
52 Administration;

53 (6) "Tangible personal property" includes every
54 tangible thing being the subject of ownership or part
55 ownership whether animate or inanimate, other than money,
56 and not forming part or parcel of real property as herein
57 defined, but does not include household goods, furniture,
58 wearing apparel and articles of personal use and adornment,
59 as defined by the state tax commission, owned and used by a
60 person in his home or dwelling place. **"Tangible personal
61 property" shall include solar panels, racking systems,
62 inverters, and related solar equipment, components,
63 materials, and supplies installed at commercial solar
64 photovoltaic energy systems, as described in subdivision
65 (46) of subsection 2 of section 144.030, that were
66 constructed and producing solar energy prior to August 9,
67 2022.**

137.080. Real estate and tangible personal property
2 shall be assessed annually at the assessment which commences
3 on the first day of January. For purposes of assessing and
4 taxing tangible personal property, all tangible personal
5 property shall be divided into the following subclasses:

- 6 (1) Grain and other agricultural crops in an
7 unmanufactured condition;
- 8 (2) Livestock;
- 9 (3) Farm machinery;
- 10 (4) Vehicles, including recreational vehicles, but not
11 including manufactured homes, as defined in section 700.010,
12 which are actually used as dwelling units;
- 13 (5) Manufactured homes, as defined in section 700.010,
14 which are actually used as dwelling units;

15 (6) Motor vehicles which are eligible for registration
16 and are registered as historic motor vehicles under section
17 301.131;

18 (7) **Solar panels, racking systems, inverters, and**
19 **related solar equipment, components, materials, and supplies**
20 **installed at commercial solar photovoltaic energy systems,**
21 **as described in subdivision (46) of subsection 2 of section**
22 **144.030, that were constructed and producing solar energy**
23 **prior to August 9, 2022; and**

24 (8) All taxable tangible personal property not
25 included in subclass (1), subclass (2), subclass (3),
26 subclass (4), subclass (5), [or] subclass (6), **or subclass**
27 **(7).**

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; and

120 **(7) Solar panels, racking systems, inverters, and**
121 **related solar equipment, components, materials, and supplies**
122 **installed at commercial solar photovoltaic energy systems,**
123 **as described in subdivision (46) of subsection 2 of section**
124 **144.030, that were constructed and producing solar energy**
125 **prior to August 9, 2022, three 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 10. Before the assessor may increase the assessed
206 valuation of any parcel of subclass (1) real property by
207 more than fifteen percent since the last assessment,
208 excluding increases due to new construction or improvements,
209 the assessor shall conduct a physical inspection of such
210 property.

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

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

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

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

274 for senate committee substitute for senate bill no. 960,
275 ninety-second general assembly, second regular session, for
276 the next year of general reassessment, by an affirmative
277 vote of the governing body prior to December thirty-first of
278 any year.

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

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

306 purposes of excavation for current or future use or sale to
307 others that has been bonded and permitted under chapter 444.

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