

SENATE BILL NO. 85

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR NICOLA.

1166S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 137.076, RSMo, and to enact in lieu thereof one new section relating to the assessment of property.

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

Section A. Section 137.076, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 137.076,
3 to read as follows:

137.076. 1. In establishing the value of a parcel of
2 real property the county assessor shall consider current
3 market conditions and previous decisions of the county board
4 of equalization, the state tax commission or a court of
5 competent jurisdiction that affected the value of such
6 parcel. For purposes of this section, the term "current
7 market conditions", shall include the impact upon the
8 housing market of foreclosures and bank sales.

9 2. In establishing the value of a parcel of real
10 property, the county assessor shall use an income-based
11 approach for assessment of parcels of real property with
12 federal or state imposed restrictions in regard to rent
13 limitations, operations requirements, or any other
14 restrictions imposed upon the property in connection with:

15 (1) The property being eligible for any income tax
16 credits under Section 42 of the Internal Revenue Code of
17 1986, as amended;

18 (2) Property constructed with the use of the United
19 States Department of Housing and Urban Development HOME
20 investment partnerships program;

21 (3) Property constructed with the use of incentives
22 provided by the United States Department of Agriculture
23 Rural Development; or

24 (4) Property receiving any other state or federal
25 subsidies provided with respect to use of the property for
26 housing purposes.

27 For the purposes of this subsection, the term "income-based
28 approach" shall include the use of direct capitalization
29 methodology and computed by dividing the net operating
30 income of the parcel of property by an appropriate
31 capitalization rate not to exceed the average of the current
32 market data available in the county of said parcel of
33 property. Federal and state tax credits or other subsidies
34 shall not be used when calculating the capitalization rate.
35 Upon expiration of a land use restriction agreement, such
36 parcel of property shall no longer be subject to this
37 subsection.

38 **3. Notwithstanding any provision of law to the**
39 **contrary, an assessor shall not use any computer, computer-**
40 **assisted method, or computer program that utilizes**
41 **artificial intelligence for the purpose of determining the**
42 **true value in money of any real or personal property.**

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