

FIRST REGULAR SESSION

# SENATE BILL NO. 87

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR NICOLA.

1373S.01H

KRISTINA MARTIN, Secretary

## AN ACT

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

*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Section A. Section 137.115, RSMo, is repealed and one new  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

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

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 **for all tax years ending on or before December 31, 2025:**

131 (a) For real property in subclass (1), nineteen  
132 percent;

133 (b) For real property in subclass (2), twelve percent;  
134 and

135 (c) For real property in subclass (3), thirty-two  
136 percent.

137 (2) **All subclasses of real property, as such**  
138 **subclasses are established in Section 4(b) of Article X of**  
139 **the Missouri Constitution and defined in section 137.016,**  
140 **shall be assessed at the following percentages of true value**  
141 **for all tax years beginning on or after January 1, 2026:**

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

144 (b) **For real property in subclass (2), ten percent; and**

145 (c) **For real property in subclass (3), thirty percent.**

146            [(2)] (3) A taxpayer may apply to the county assessor,  
147 or, if not located within a county, then the assessor of  
148 such city, for the reclassification of such taxpayer's real  
149 property if the use or purpose of such real property is  
150 changed after such property is assessed under the provisions  
151 of this chapter. If the assessor determines that such  
152 property shall be reclassified, he or she shall determine  
153 the assessment under this subsection based on the percentage  
154 of the tax year that such property was classified in each  
155 subclassification.

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

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

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

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

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

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

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

236           13. A county or city collector may accept credit cards  
237 as proper form of payment of outstanding property tax or  
238 license due. No county or city collector may charge  
239 surcharge for payment by credit card which exceeds the fee  
240 or surcharge charged by the credit card bank, processor, or



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

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

273 subsection may choose to implement the provisions of this  
274 section and sections 137.073, 138.060, and 138.100 as  
275 enacted by house bill no. 1150 of the ninety-first general  
276 assembly, second regular session, and section 137.073 as  
277 modified by house committee substitute for senate substitute  
278 for senate committee substitute for senate bill no. 960,  
279 ninety-second general assembly, second regular session, for  
280 the next year of general reassessment, by an affirmative  
281 vote of the governing body prior to December thirty-first of  
282 any year.

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

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

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

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