

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 591
95TH GENERAL ASSEMBLY

1505L.03C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 52.240, 53.175, 67.110, 137.073, 137.106, 137.180, 137.243, 137.355, 137.385, 137.425, 137.490, 137.720, 138.140, and 139.031, RSMo, and to enact in lieu thereof fourteen new sections relating to property taxes, with a penalty provision and an emergency clause.

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

Section A. Sections 52.240, 53.175, 67.110, 137.073, 137.106, 137.180, 137.243, 137.355, 137.385, 137.425, 137.490, 137.720, 138.140, and 139.031, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 52.240, 53.175, 67.110, 137.073, 137.106, 137.180, 137.243, 137.355, 137.385, 137.425, 137.490, 137.720, 138.140, and 139.031, to read as follows:

52.240. 1. The statement and receipt required by section 52.230 shall be mailed to the address of the taxpayer as shown by the county assessor on the current tax books, and postage for the mailing of the statements and receipts shall be furnished by the county commission. The failure of the taxpayer to receive the notice provided for in section 52.230 in no case relieves the taxpayer of any tax liability imposed by law. No penalty or interest imposed under any law shall be charged on any real or personal property tax when there is clear and convincing evidence that the county made an error or omission in determining taxes owed by a taxpayer.

2. Any taxpayer claiming that the county made an error or omission in determining taxes owed may submit a written request for a refund of penalties, interest, or taxes to the county commission or governing body of the county. If the county commission or governing body of the county approves the refund, then such penalties, interest, or taxes shall be refunded as provided in subsection [6] **5** of section 139.031, RSMo. The county commission shall approve or disapprove the taxpayer's written request within thirty days of receiving said request. The

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 county collector shall refund penalties, interest, and taxes if the county made an error or omission
15 in determining taxes owed by the taxpayer.

16 3. Nothing in this section shall relieve a taxpayer from paying taxes owed by December
17 thirty-first and paying penalties and interest owed for failing to pay all taxes by December
18 thirty-first.

19 53.175. The county assessor in all counties of the second, third and fourth class, and all
20 counties of the first class without a charter form of government except those first class counties
21 which do not adjoin a first class county having a charter form of government, shall, in addition
22 to all the duties provided by law, abstract the assessed valuation of all real estate lists, personal
23 property lists and information on personal property assessment lists as to the number of each and
24 every item of personal tangible property and certify the information to the county commission
25 on or before [June] **July** first of each year.

67.110. 1. Each political subdivision in the state, except counties and any political
2 subdivision located at least partially within any county with a charter form of government or any
3 political subdivision located at least partially within any city not within a county, shall fix its ad
4 valorem property tax rates as provided in this section not later than September first for entry in
5 the tax books. Each political subdivision located, at least partially, within a county with a charter
6 form of government or within a city not within a county shall fix its ad valorem property tax rates
7 as provided in this section not later than October first for entry in the tax books for each calendar
8 year after December 31, 2008. Before the governing body of each political subdivision of the
9 state, except counties, as defined in section 70.120, RSMo, fixes its rate of taxation, its budget
10 officer shall present to its governing body the following information for each tax rate to be
11 levied: the assessed valuation by category of real, personal and other tangible property in the
12 political subdivision as entered in the tax book for the fiscal year for which the tax is to be
13 levied, as provided by subsection 3 of section 137.245, RSMo, the assessed valuation by
14 category of real, personal and other tangible property in the political subdivisions for the
15 preceding taxable year, the amount of revenue required to be provided from the property tax as
16 set forth in the annual budget adopted as provided by this chapter, and the tax rate proposed to
17 be set. Should any political subdivision whose taxes are collected by the county collector of
18 revenue fail to fix its ad valorem property tax rate by [September first] **the date provided under**
19 **this section for such political subdivision**, then no tax rate other than the rate, if any, necessary
20 to pay the interest and principal on any outstanding bonds shall be certified for that year.

21 2. The governing body shall hold at least one public hearing on the proposed rates of
22 taxes at which citizens shall be heard prior to their approval. The governing body shall
23 determine the time and place for such hearing. A notice stating the hour, date and place of the
24 hearing shall be published in at least one newspaper qualified under the laws of the state of

25 Missouri of general circulation in the county within which all or the largest portion of the
26 political subdivision is situated, or such notice shall be posted in at least three public places
27 within the political subdivision; except that, in any county of the first class having a charter form
28 of government, such notice may be published in a newspaper of general circulation within the
29 political subdivision even though such newspaper is not qualified under the laws of Missouri for
30 other legal notices. Such notice shall be published or posted at least seven days prior to the date
31 of the hearing. The notice shall include the assessed valuation by category of real, personal and
32 other tangible property in the political subdivision for the fiscal year for which the tax is to be
33 levied as provided by subsection 3 of section 137.245, RSMo, the assessed valuation by category
34 of real, personal and other tangible property in the political subdivision for the preceding taxable
35 year, for each rate to be levied the amount of revenue required to be provided from the property
36 tax as set forth in the annual budget adopted as provided by this chapter, and the tax rates
37 proposed to be set for the various purposes of taxation. The tax rates shall be calculated to
38 produce substantially the same revenues as required in the annual budget adopted as provided
39 in this chapter. Following the hearing the governing body of each political subdivision shall fix
40 the rates of taxes, the same to be entered in the tax book. Failure of any taxpayer to appear at
41 such hearing shall not prevent the taxpayer from pursuit of any other legal remedy otherwise
42 available to the taxpayer. Nothing in this section absolves political subdivisions of
43 responsibilities under section 137.073, RSMo, nor to adjust tax rates in event changes in assessed
44 valuation occur that would alter the tax rate calculations.

45 3. Each political subdivision of the state shall fix its property tax rates in the manner
46 provided in this section for each fiscal year which begins after December 31, 1976. New or
47 increased tax rates for political subdivisions whose taxes are collected by the county collector
48 approved by voters after September first of any year shall not be included in that year's tax levy
49 except for any new tax rate ceiling approved pursuant to section 71.800, RSMo.

50 4. In addition to the information required under subsections 1 and 2 of this section, each
51 political subdivision shall also include the increase in tax revenue due to an increase in assessed
52 value as a result of new construction and improvement and the increase, both in dollar value and
53 percentage, in tax revenue as a result of reassessment if the proposed tax rate is adopted.

137.073. 1. As used in this section, the following terms mean:

2 (1) "General reassessment", changes in value, entered in the assessor's books, of a
3 substantial portion of the parcels of real property within a county resulting wholly or partly from
4 reappraisal of value or other actions of the assessor or county equalization body or ordered by
5 the state tax commission or any court;

6 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each
7 purpose of taxation of property a taxing authority is authorized to levy without a vote and any
8 tax rate authorized by election, including bond interest and sinking fund;

9 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the
10 provisions of this section or when a court has determined the tax rate[; except that, other
11 provisions of law to the contrary notwithstanding, a school district may levy the operating levy
12 for school purposes required for the current year pursuant to subsection 2 of section 163.021,
13 RSMo, less all adjustments required pursuant to article X, section 22 of the Missouri
14 Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980
15 tax year]. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is
16 approved by voters of the political subdivision as provided in this section;

17 (4) "Tax revenue", when referring to the previous year, means the actual receipts from
18 ad valorem levies on all classes of property, including state-assessed property, in the immediately
19 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not
20 collected in the fiscal year and plus an additional allowance for the revenue which would have
21 been collected from property which was annexed by such political subdivision but which was
22 not previously used in determining tax revenue pursuant to this section. The term "tax revenue"
23 shall not include any receipts from ad valorem levies on any property of a railroad corporation
24 or a public utility, as these terms are defined in section 386.020, RSMo, which were assessed by
25 the assessor of a county or city in the previous year but are assessed by the state tax commission
26 in the current year. All school districts and those counties levying sales taxes pursuant to chapter
27 67, RSMo, shall include in the calculation of tax revenue an amount equivalent to that by which
28 they reduced property tax levies as a result of sales tax pursuant to section 67.505, RSMo, and
29 section 164.013, RSMo, or as excess home dock city or county fees as provided in subsection
30 4 of section 313.820, RSMo, in the immediately preceding fiscal year but not including any
31 amount calculated to adjust for prior years. For purposes of political subdivisions which were
32 authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate,
33 the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall
34 mean the revenues equal to the amount that would have been available if the voluntary rate
35 reduction had not been made.

36 2. Whenever changes in assessed valuation are entered in the assessor's books for any
37 personal property, in the aggregate, or for any subclass of real property as such subclasses are
38 established in section 4(b) of article X of the Missouri Constitution and defined in section
39 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each
40 political subdivision wholly or partially within the county or St. Louis City of the change in
41 valuation of each subclass of real property, individually, and personal property, in the aggregate,

42 exclusive of new construction and improvements. All political subdivisions shall immediately
43 revise the applicable rates of levy for each purpose for each subclass of real property,
44 individually, and personal property, in the aggregate, for which taxes are levied to the extent
45 necessary to produce from all taxable property, exclusive of new construction and improvements,
46 substantially the same amount of tax revenue as was produced in the previous year for each
47 subclass of real property, individually, and personal property, in the aggregate, except that the
48 rate may not exceed **the greater of the rate in effect in the 1984 tax year or the most recent**
49 **voter-approved rate. For the 2009 tax year, any political subdivision may levy a rate**
50 **sufficient to generate substantially the same amount of tax revenue as was produced in the**
51 **2007 tax year from all taxable property, exclusive of any new construction or**
52 **improvements attributable to tax years 2008 and 2009, except that such rate shall not**
53 **exceed the greater of the rate in effect for the 1984 tax year or the most recent voter**
54 **approved tax rate. Any school district may levy the operating levy for school purposes**
55 **required for the current year pursuant to subsection 2 of section 163.021, RSMo, less all**
56 **adjustments required pursuant to article X, section 22 of the Missouri constitution and**
57 **under subdivision 4 of subsection 5 of this section, if such tax rate does not exceed the**
58 **highest tax rate in effect subsequent to the 1980 tax year.** Such tax revenue shall not include
59 any receipts from ad valorem levies on any real property which was assessed by the assessor of
60 a county or city in such previous year but is assessed by the assessor of a county or city in the
61 current year in a different subclass of real property. Where the taxing authority is a school
62 district for the purposes of revising the applicable rates of levy for each subclass of real property,
63 the tax revenues from state-assessed railroad and utility property shall be apportioned and
64 attributed to each subclass of real property based on the percentage of the total assessed valuation
65 of the county that each subclass of real property represents in the current taxable year. As
66 provided in section 22 of article X of the constitution, a political subdivision may also revise
67 each levy to allow for inflationary assessment growth occurring within the political subdivision.
68 The inflationary growth factor for any such subclass of real property or personal property shall
69 be limited to the actual assessment growth in such subclass or class, exclusive of new
70 construction and improvements, and exclusive of the assessed value on any real property which
71 was assessed by the assessor of a county or city in the current year in a different subclass of real
72 property, but not to exceed the consumer price index or five percent, whichever is lower. Should
73 the tax revenue of a political subdivision from the various tax rates determined in this subsection
74 be different than the tax revenue that would have been determined from a single tax rate as
75 calculated pursuant to the method of calculation in this subsection prior to January 1, 2003, then
76 the political subdivision shall revise the tax rates of those subclasses of real property,
77 individually, and/or personal property, in the aggregate, in which there is a tax rate reduction,

78 pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such
79 difference and shall be apportioned among such subclasses of real property, individually, and/or
80 personal property, in the aggregate, based on the relative assessed valuation of the class or
81 subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each
82 class or subclass shall be made by computing the percentage of current year adjusted assessed
83 valuation of each class or subclass with a tax rate reduction to the total current year adjusted
84 assessed valuation of the class or subclasses with a tax rate reduction, multiplying the resulting
85 percentages by the revenue difference between the single rate calculation and the calculations
86 pursuant to this subsection and dividing by the respective adjusted current year assessed
87 valuation of each class or subclass to determine the adjustment to the rate to be levied upon each
88 class or subclass of property. The adjustment computed herein shall be multiplied by one
89 hundred, rounded to four decimals in the manner provided in this subsection, and added to the
90 initial rate computed for each class or subclass of property. Notwithstanding any provision of
91 this subsection to the contrary, no revision to the rate of levy for personal property shall cause
92 such levy to increase over the levy for personal property from the prior year.

93 3. (1) Where the taxing authority is a school district, it shall be required to revise the
94 rates of levy to the extent necessary to produce from all taxable property, including state-assessed
95 railroad and utility property, which shall be separately estimated in addition to other data
96 required in complying with section 164.011, RSMo, substantially the amount of tax revenue
97 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be
98 adjusted to offset such district's reduction in the apportionment of state school moneys due to its
99 reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling
100 pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility
101 valuation or loss of state aid, discovers that the estimates used result in receipt of excess
102 revenues, which would have required a lower rate if the actual information had been known, the
103 school district shall reduce the tax rate ceiling in the following year to compensate for the excess
104 receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

105 (2) For any political subdivision which experiences a reduction in the amount of assessed
106 valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant
107 to sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation
108 or recordation of any assessed valuation:

109 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies
110 taxes to compensate for the reduction in assessed value occurring after the political subdivision
111 calculated the tax rate ceiling for the particular subclass of real property or for personal property,
112 in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the
113 time of the next calculation of the tax rate for the particular subclass of real property or for

114 personal property, in the aggregate, after the reduction in assessed valuation has been determined
115 and shall be calculated in a manner that results in the revised tax rate ceiling being the same as
116 it would have been had the corrected or finalized assessment been available at the time of the
117 prior calculation;

118 (b) In addition, for up to three years following the determination of the reduction in
119 assessed valuation as a result of circumstances defined in this subdivision, such political
120 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling
121 provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had
122 the corrected or finalized assessment been available at the time of the prior calculation.

123 4. (1) In order to implement the provisions of this section and section 22 of article X of
124 the Constitution of Missouri, the term "improvements" shall apply to both real and personal
125 property. In order to determine the value of new construction and improvements, each county
126 assessor shall maintain a record of real property valuations in such a manner as to identify each
127 year the increase in valuation for each political subdivision in the county as a result of new
128 construction and improvements. The value of new construction and improvements shall include
129 the additional assessed value of all improvements or additions to real property which were begun
130 after and were not part of the prior year's assessment, except that the additional assessed value
131 of all improvements or additions to real property which had been totally or partially exempt from
132 ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255,
133 RSMo, and section 353.110, RSMo, shall be included in the value of new construction and
134 improvements when the property becomes totally or partially subject to assessment and payment
135 of all ad valorem taxes. The aggregate increase in valuation of personal property for the current
136 year over that of the previous year is the equivalent of the new construction and improvements
137 factor for personal property. Notwithstanding any opt-out implemented pursuant to subsection
138 15 of section 137.115, the assessor shall certify the amount of new construction and
139 improvements and the amount of assessed value on any real property which was assessed by the
140 assessor of a county or city in such previous year but is assessed by the assessor of a county or
141 city in the current year in a different subclass of real property separately for each of the three
142 subclasses of real property for each political subdivision to the county clerk in order that political
143 subdivisions shall have this information for the purpose of calculating tax rates pursuant to this
144 section and section 22, article X, Constitution of Missouri. In addition, the state tax commission
145 shall certify each year to each county clerk the increase in the general price level as measured by
146 the Consumer Price Index for All Urban Consumers for the United States, or its successor
147 publications, as defined and officially reported by the United States Department of Labor, or its
148 successor agency. The state tax commission shall certify the increase in such index on the latest
149 twelve-month basis available on February first of each year over the immediately preceding prior

150 twelve-month period in order that political subdivisions shall have this information available in
151 setting their tax rates according to law and section 22 of article X of the Constitution of Missouri.
152 For purposes of implementing the provisions of this section and section 22 of article X of the
153 Missouri Constitution, the term "property" means all taxable property, including state-assessed
154 property.

155 (2) Each political subdivision required to revise rates of levy pursuant to this section or
156 section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized
157 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision
158 provided in this section and section 22 of article X of the Constitution of Missouri, separately
159 and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section
160 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using
161 the calculation that produces the lowest tax rate ceiling. It is further the intent of the general
162 assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri,
163 that the provisions of such section be applicable to tax rate revisions mandated pursuant to
164 section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in
165 subsequent years, enforcement provisions, and other provisions not in conflict with section 22
166 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section
167 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established
168 pursuant to this section and section 22 of article X of the Constitution of Missouri, unless
169 otherwise provided by law.

170 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section
171 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate
172 shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval
173 by more than a simple majority pursuant to any provision of law or the constitution, the tax rate
174 increase must receive approval by at least the majority required.

175 (2) When voters approve an increase in the tax rate, the amount of the increase shall be
176 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does
177 not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate
178 for approval rather than describing the amount of increase in the question, the stated tax rate
179 approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax
180 rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied
181 to the current total assessed valuation of the political subdivision, excluding new construction
182 and improvements since the date of the election approving such increase, the revenue derived
183 from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would
184 have been derived by applying the voter-approved increased tax rate ceiling to total assessed
185 valuation of the political subdivision, as most recently certified by the city or county clerk on or

186 before the date of the election in which such increase is approved, increased by the percentage
187 increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be
188 applied to the total assessed valuation of the political subdivision at the setting of the next tax
189 rate. If a ballot question presents a phased-in tax rate increase, upon voter approval, each tax rate
190 increase shall be adjusted in the manner prescribed in this section to yield the sum of: the
191 amount of revenue that would be derived by applying such voter-approved increased rate to the
192 total assessed valuation, as most recently certified by the city or county clerk on or before the
193 date of the election in which such increase was approved, increased by the percentage increase
194 in the consumer price index, as provided by law, from the date of the election to the time of such
195 increase and, so adjusted, shall be the current tax rate ceiling.

196 (3) The governing body of any political subdivision may levy a tax rate lower than its
197 tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not
198 exceeding the tax rate ceiling without voter approval in the manner provided under subdivision
199 (4) of this subsection. Nothing in this section shall be construed as prohibiting a political
200 subdivision from voluntarily levying a tax rate lower than that which is required under the
201 provisions of this section or from seeking voter approval of a reduction to such political
202 subdivision's tax rate ceiling.

203 (4) In a year of general reassessment, a governing body whose tax rate is lower than its
204 tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section
205 as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if such
206 governing body intends to increase its tax rate, the governing body shall conduct a public
207 hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement
208 justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision
209 shall not apply to any political subdivision which levies a tax rate lower than its tax rate ceiling
210 solely due to a reduction required by law resulting from sales tax collections. The provisions of
211 this subdivision shall not apply to any political subdivision which has received voter approval
212 for an increase to its tax rate ceiling subsequent to setting its most recent tax rate.

213 6. (1) For the purposes of calculating state aid for public schools pursuant to section
214 163.031, RSMo, each taxing authority which is a school district shall determine its proposed tax
215 rate as a blended rate of the classes or subclasses of property. Such blended rate shall be
216 calculated by first determining the total tax revenue of the property within the jurisdiction of the
217 taxing authority, which amount shall be equal to the sum of the products of multiplying the
218 assessed valuation of each class and subclass of property by the corresponding tax rate for such
219 class or subclass, then dividing the total tax revenue by the total assessed valuation of the same
220 jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the
221 taxing authority is a school district, such blended rate shall also be used by such school district

222 for calculating revenue from state-assessed railroad and utility property as defined in chapter 151,
223 RSMo, and for apportioning the tax rate by purpose.

224 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk
225 of the county commission in the county or counties where the tax rate applies of its tax rate
226 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a
227 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one
228 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth
229 of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to
230 the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a
231 cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next
232 higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data,
233 in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate
234 complies with Missouri law. All forms for the calculation of rates pursuant to this section shall
235 be promulgated as a rule and shall not be incorporated by reference. The state auditor shall
236 promulgate rules for any and all forms for the calculation of rates pursuant to this section which
237 do not currently exist in rule form or that have been incorporated by reference. In addition, each
238 taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as
239 shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service
240 complies with Missouri law. A tax rate proposed for annual debt service requirements will be
241 prima facie valid if, after making the payment for which the tax was levied, bonds remain
242 outstanding and the debt fund reserves do not exceed the following year's payments. The county
243 clerk shall keep on file and available for public inspection all such information for a period of
244 three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing
245 authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor.
246 The state auditor shall, within fifteen days of the date of receipt, examine such information and
247 return to the county clerk his or her findings as to compliance of the tax rate ceiling with this
248 section and as to compliance of any proposed tax rate for debt service with Missouri law. If the
249 state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri
250 law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor
251 may request a taxing authority to submit documentation supporting such taxing authority's
252 proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings
253 to the taxing authority and shall file a copy of the findings with the information received from
254 the taxing authority. The taxing authority shall have fifteen days from the date of receipt from
255 the county clerk of the state auditor's findings and any request for supporting documentation to
256 accept or reject in writing the rate change certified by the state auditor and to submit all requested
257 information to the state auditor. A copy of the taxing authority's acceptance or rejection and any

258 information submitted to the state auditor shall also be mailed to the county clerk. If a taxing
259 authority rejects a rate change certified by the state auditor and the state auditor does not receive
260 supporting information which justifies the taxing authority's original or any subsequent proposed
261 tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the
262 attorney general's office and the attorney general is authorized to obtain injunctive relief to
263 prevent the taxing authority from levying a violative tax rate.

264 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
265 subdivision has complied with the foregoing provisions of this section.

266 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied
267 with the provisions of this section, the taxpayer may make a formal complaint with the
268 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within
269 ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this
270 section and institute an action as representative of a class of all taxpayers within a taxing
271 authority if the class is so numerous that joinder of all members is impracticable, if there are
272 questions of law or fact common to the class, if the claims or defenses of the representative
273 parties are typical of the claims or defenses of the class, and if the representative parties will
274 fairly and adequately protect the interests of the class. In any class action maintained pursuant
275 to this section, the court may direct to the members of the class a notice to be published at least
276 once each week for four consecutive weeks in a newspaper of general circulation published in
277 the county where the civil action is commenced and in other counties within the jurisdiction of
278 a taxing authority. The notice shall advise each member that the court will exclude him or her
279 from the class if he or she so requests by a specified date, that the judgment, whether favorable
280 or not, will include all members who do not request exclusion, and that any member who does
281 not request exclusion may, if he or she desires, enter an appearance. In any class action brought
282 pursuant to this section, the court, in addition to the relief requested, shall assess against the
283 taxing authority found to be in violation of this section the reasonable costs of bringing the
284 action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any
285 attorney or association of attorneys who receive public funds from any source for their services.
286 Any action brought pursuant to this section shall be set for hearing as soon as practicable after
287 the cause is at issue.

288 9. If in any action, including a class action, the court issues an order requiring a taxing
289 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the
290 collection of a tax because of its failure to revise the rate of levy as provided in this section, any
291 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her
292 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031,
293 RSMo, or otherwise contested. The part of the taxes paid erroneously is the difference in the

294 amount produced by the original levy and the amount produced by the revised levy. The
295 township or county collector of taxes or the collector of taxes in any city shall refund the amount
296 of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided
297 in this section shall make available to the collector all funds necessary to make refunds pursuant
298 to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him
299 or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall
300 be construed to require a taxing authority to refund any tax erroneously paid prior to or during
301 the third tax year preceding the current tax year.

302 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
303 is created under the authority delegated in this section shall become effective only if it complies
304 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
305 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
306 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
307 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
308 grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be
309 invalid and void.

310 **11. (1) Whenever the governing body of any taxing authority receives a petition,**
311 **signed by at least thirty-three percent of the registered voters within such taxing**
312 **authority's boundaries, calling for an election to decrease the taxing authority's tax rates,**
313 **the governing body shall submit to the voters residing within the taxing authority's**
314 **boundaries a proposal to lower the tax rates of the taxing authority at the next regular**
315 **election. Such petition shall include the proposed tax rate and tax rate's purpose for such**
316 **taxing authority. If at least sixty-six percent of the votes cast on the question by the**
317 **qualified voters voting thereon are in favor of decreasing the tax rate, the lowered tax rate**
318 **shall become effective. If more than thirty-three percent of the votes cast on the question**
319 **by the qualified voters voting thereon are opposed to lowering the tax rate, then the tax**
320 **rate established under this section shall remain effective until such tax rate is revised as**
321 **provided in this section. No petition to lower the tax rate on levies imposed for debt service**
322 **shall be valid under this subsection, and this subsection shall not be construed to require**
323 **any taxing authority to lower the tax rate on levies imposed for debt service.**

324 (2) The petition shall be in substantially the following form:

325

326 **WARNING**

327

328 **It is a felony for anyone to sign a petition with any name other than his or her own, or to**
329 **knowingly sign his or her name more than once for the measure, or to sign such petition**
330 **when the person is not a legal voter.**

331

332 **INITIATIVE PETITION To the governing body of the (insert name of taxing**
333 **authority):**

334

335 **We the undersigned, citizens and voters of the state of Missouri and the (insert**
336 **taxing authority's name), respectfully order that an election be called to reduce the tax rate**
337 **for the purposes of (describe purpose of tax rate) of the taxing authority. The tax rate**
338 **decrease proposal shall be referred to the people of the district for their approval or**
339 **rejection, at the regular (special) election to be held on the day of, 20., and each for**
340 **himself or herself says: I have personally signed this petition; I am a duly qualified elector**
341 **of the state and district; my residence and post office address are correctly written after**
342 **my name.**

343

344 **Name Residence Post Office**

345 **(if in a city, street and number)**

346 **(Here follow numbered lines for signatures).**

347 **(3) Every sheet for petitioners' signatures shall be attached to a full and correct**
348 **copy of the title and text of the measure proposed by the petition.**

349 **(4) Each sheet of every petition containing signatures shall be verified in**
350 **substantially the following form by the person who circulated the sheet, by that person's**
351 **affidavit thereon:**

352

353 **State of Missouri County of**

354 **I,....., being first duly sworn, say that each person whose name appears on this sheet signed**
355 **his or her name thereto in my presence; I believe that each has stated his or her name, post**
356 **office address, and residence correctly, and that each signer is a voter of the state of**
357 **Missouri and (insert name of taxing authority).**

358 **(signature and post office address of affiant)**

359 **Subscribed and sworn to before me this day of, (year)**

360 **(signature and title of officer before whom oath is made and his or her post office address).**

361

362 **(5) The ballot question for a decrease in a taxing authority's tax rate shall be**
submitted in substantially the following form:

363 **"Shall the tax rate of the (insert name of taxing authority) for the purpose of**
364 **(describe purpose of tax rate) be reduced from (insert amount) to (insert proposed tax**
365 **rate)?"**.

366 **(6) The decreased tax rate as approved shall be adjusted such that when applied**
367 **to the current total assessed valuation of the political subdivision, excluding new**
368 **construction and improvements since the date of the election approving such decrease, the**
369 **revenue derived from the adjusted tax rate is equal to the sum of: the amount of revenue**
370 **which would have been derived by applying the voter-approved decreased tax rate to the**
371 **total assessed valuation of the political subdivision, as most recently certified by the city**
372 **or county clerk on or before the date of the election in which such decrease is approved,**
373 **increased by the percentage increase in the consumer price index, as certified by the state**
374 **tax commission under subdivision (1) of subsection 4 of this section. Such adjusted tax rate**
375 **shall be the taxing authority's tax rate ceiling and may be applied to the total assessed**
376 **valuation of the political subdivision at the setting of the next tax rate.**

 137.106. 1. This section may be known and may be cited as "The Missouri Homestead
2 Preservation Act".

3 2. As used in this section, the following terms shall mean:

4 (1) "Department", the department of revenue;

5 (2) "Director", the director of revenue;

6 (3) "Disabled", as such term is defined in section 135.010, RSMo;

7 (4) "Eligible owner", any individual owner of property who is sixty-five years old or
8 older as of January first of the tax year in which the individual is claiming the credit or who is
9 disabled, and who had an income of equal to or less than the maximum upper limit in the year
10 prior to completing an application pursuant to this section; or

11 (a) In the case of a married couple owning property either jointly or as tenants by the
12 entirety, or where only one spouse owns the property, such couple shall be considered an eligible
13 taxpayer if both spouses have reached the age of sixty-five or if one spouse is disabled, or if one
14 spouse is at least sixty-five years old and the other spouse is at least sixty years old, and the
15 combined income of the couple in the year prior to completing an application pursuant to this
16 section did not exceed the maximum upper limit; or

17 (b) In the case of joint ownership by unmarried persons or ownership by tenancy in
18 common by two or more unmarried persons, such owners shall be considered an eligible owner
19 if each person with an ownership interest individually satisfies the eligibility requirements for
20 an individual eligible owner under this section and the combined income of all individuals with
21 an interest in the property is equal to or less than the maximum upper limit in the year prior to
22 completing an application under this section. If any individual with an ownership interest in the

23 property fails to satisfy the eligibility requirements of an individual eligible owner or if the
24 combined income of all individuals with interest in the property exceeds the maximum upper
25 limit, then all individuals with an ownership interest in such property shall be deemed ineligible
26 owners regardless of such other individual's ability to individually meet the eligibility
27 requirements; or

28 (c) In the case of property held in trust, the eligible owner and recipient of the tax credit
29 shall be the trust itself provided the previous owner of the homestead or the previous owner's
30 spouse: is the settlor of the trust with respect to the homestead; currently resides in such
31 homestead; and but for the transfer of such property would have satisfied the age, ownership, and
32 maximum upper limit requirements for income as defined in subdivisions (7) and (8) of this
33 subsection;

34 No individual shall be an eligible owner if the individual has not paid their property tax liability,
35 if any, in full by the payment due date in any of the three prior tax years, except that a late
36 payment of a property tax liability in any prior year shall not disqualify a potential eligible owner
37 if such owner paid in full the tax liability and any and all penalties, additions and interest that
38 arose as a result of such late payment; no individual shall be an eligible owner if such person
39 filed a valid claim for the senior citizens property tax relief credit pursuant to sections 135.010
40 to 135.035, RSMo;

41 (5) "Homestead", as such term is defined pursuant to section 135.010, RSMo, except as
42 limited by provisions of this section to the contrary. No property shall be considered a
43 homestead if such property was improved since the most recent annual assessment by more than
44 five percent of the prior year appraised value, except where an eligible owner of the property has
45 made such improvements to accommodate a disabled person;

46 (6) "Homestead exemption limit", a percentage increase, rounded to the nearest
47 hundredth of a percent, which shall be equal to the percentage increase to tax liability, not
48 including improvements, of a homestead from one tax year to the next that exceeds a certain
49 percentage set pursuant to subsection 10 of this section. For applications filed in 2005 or 2006,
50 the homestead exemption limit shall be based on the increase to tax liability from 2004 to 2005.
51 For applications filed between April 1, 2005, and September 30, 2006, an eligible owner, who
52 otherwise satisfied the requirements of this section, shall not apply for the homestead exemption
53 credit more than once during such period. For applications filed after 2006, the homestead
54 exemption limit shall be based on the increase to tax liability from two years prior to application
55 to the year immediately prior to application. For applications filed between December 31, 2008,
56 and December 31, 2011, the homestead exemption limit shall be based on the increase in tax
57 liability from the base year to the year prior to the application year. For applications filed on or
58 after January 1, 2012, the homestead exemption limit shall be based on the increase to tax

59 liability from two years prior to application to the year immediately prior to application. For
60 purposes of this subdivision, the term "base year" means the year prior to the first year in which
61 the eligible owner's application was approved, or 2006, whichever is later. **For applications**
62 **filed between December 31, 2009, and December 31, 2011, where a taxpayer is approved**
63 **for the first time due to the three-year ownership requirement provided under this section,**
64 **the term "base year" shall mean the year immediately following the year in which**
65 **ownership of such property was acquired by the taxpayer;**

66 (7) "Income", federal adjusted gross income, and in the case of ownership of the
67 homestead by trust, the income of the settlor applicant shall be imputed to the income of the trust
68 for purposes of determining eligibility with regards to the maximum upper limit;

69 (8) "Maximum upper limit", in the calendar year 2005, the income sum of seventy
70 thousand dollars; in each successive calendar year this amount shall be raised by the incremental
71 increase in the general price level, as defined pursuant to article X, section 17 of the Missouri
72 Constitution.

73 3. Pursuant to article X, section 6(a) of the Constitution of Missouri, if in the prior tax
74 year, the property tax liability on any parcel of subclass (1) real property increased by more than
75 the homestead exemption limit, without regard for any prior credit received due to the provisions
76 of this section, then any eligible owner of the property shall receive a homestead exemption
77 credit to be applied in the current tax year property tax liability to offset the prior year increase
78 to tax liability that exceeds the homestead exemption limit, except as eligibility for the credit is
79 limited by the provisions of this section. The amount of the credit shall be listed separately on
80 each taxpayer's tax bill for the current tax year, or on a document enclosed with the taxpayer's
81 bill. The homestead exemption credit shall not affect the process of setting the tax rate as
82 required pursuant to article X, section 22 of the Constitution of Missouri and section 137.073 in
83 any prior, current, or subsequent tax year.

84 4. If application is made in 2005, any potential eligible owner may apply for the
85 homestead exemption credit by completing an application through their local assessor's office.
86 Applications may be completed between April first and September thirtieth of any tax year in
87 order for the taxpayer to be eligible for the homestead exemption credit in the tax year next
88 following the calendar year in which the homestead exemption credit application was completed.
89 The application shall be on forms provided to the assessor's office by the department. Forms also
90 shall be made available on the department's Internet site and at all permanent branch offices and
91 all full-time, temporary, or fee offices maintained by the department of revenue. The applicant
92 shall attest under penalty of perjury:

93 (1) To the applicant's age;

94 (2) That the applicant's prior year income was less than the maximum upper limit;

95 (3) To the address of the homestead property; and

96 (4) That any improvements made to the homestead, not made to accommodate a disabled
97 person, did not total more than five percent of the prior year appraised value. The applicant shall
98 also include with the application copies of receipts indicating payment of property tax by the
99 applicant for the homestead property for the two prior tax years.

100 5. If application is made in 2005, the assessor, upon request for an application, shall:

101 (1) Certify the parcel number and owner of record as of January first of the homestead,
102 including verification of the acreage classified as residential on the assessor's property record
103 card;

104 (2) Obtain appropriate prior tax year levy codes for each homestead from the county
105 clerks for inclusion on the form;

106 (3) Record on the application the assessed valuation of the homestead for the current tax
107 year, and any new construction or improvements for the current tax year; and

108 (4) Sign the application, certifying the accuracy of the assessor's entries.

109 6. If application is made after 2005, any potential eligible owner may apply for the
110 homestead exemption credit by completing an application. Applications may be completed
111 between April first and October fifteenth of any tax year in order for the taxpayer to be eligible
112 for the homestead exemption credit in the tax year next following the calendar year in which the
113 homestead exemption credit application was completed. The application shall be on forms
114 provided by the department. Forms also shall be made available on the department's Internet site
115 and at all permanent branch offices and all full-time, temporary, or fee offices maintained by the
116 department of revenue. The applicant shall attest under penalty of perjury:

117 (1) To the applicant's age;

118 (2) That the applicant's prior year income was less than the maximum upper limit;

119 (3) To the address of the homestead property;

120 (4) That any improvements made to the homestead, not made to accommodate a disabled
121 person, did not total more than five percent of the prior year appraised value; and

122 (5) The applicant shall also include with the application copies of receipts indicating
123 payment of property tax by the applicant for the homestead property for the three prior tax years.

124 7. Each applicant shall send the application to the department by October fifteenth of
125 each year for the taxpayer to be eligible for the homestead exemption credit in the tax year next
126 following the calendar year in which the application was completed.

127 8. If application is made in 2005, upon receipt of the applications, the department shall
128 calculate the tax liability, adjusted to exclude new construction or improvements verify
129 compliance with the maximum income limit, verify the age of the applicants, and make
130 adjustments to these numbers as necessary on the applications. The department also shall

131 disallow any application where the applicant has also filed a valid application for the senior
132 citizens property tax credit, pursuant to sections 135.010 to 135.035, RSMo. Once adjusted tax
133 liability, age, and income are verified, the director shall determine eligibility for the credit, and
134 provide a list of all verified eligible owners to the county collectors or county clerks in counties
135 with a township form of government by December fifteenth of each year. By January fifteenth,
136 the county collectors or county clerks in counties with a township form of government shall
137 provide a list to the department of any verified eligible owners who failed to pay the property tax
138 due for the tax year that ended immediately prior. Such eligible owners shall be disqualified
139 from receiving the credit in the current tax year.

140 9. If application is made after 2005, upon receipt of the applications, the department shall
141 calculate the tax liability, verify compliance with the maximum income limit, verify the age of
142 the applicants, and make adjustments to these numbers as necessary on the applications. The
143 department also shall disallow any application where the applicant also has filed a valid
144 application for the senior citizens property tax credit under sections 135.010 to 135.035, RSMo.
145 Once adjusted tax liability, age, and income are verified, the director shall determine eligibility
146 for the credit and provide a list of all verified eligible owners to the county assessors or county
147 clerks in counties with a township form of government by December fifteenth of each year. By
148 January fifteenth, the county assessors shall provide a list to the department of any verified
149 eligible owners who made improvements not for accommodation of a disability to the homestead
150 and the dollar amount of the assessed value of such improvements. If the dollar amount of the
151 assessed value of such improvements totaled more than five percent of the prior year appraised
152 value, such eligible owners shall be disqualified from receiving the credit in the current tax year.

153 10. The director shall calculate the level of appropriation necessary to set the homestead
154 exemption limit at five percent when based on a year of general reassessment or at two and
155 one-half percent when based on a year without general reassessment for the homesteads of all
156 verified eligible owners, and provide such calculation to the speaker of the house of
157 representatives, the president pro tempore of the senate, and the director of the office of budget
158 and planning in the office of administration by January thirty-first of each year.

159 11. For applications made in 2005, the general assembly shall make an appropriation for
160 the funding of the homestead exemption credit that is signed by the governor, then the director
161 shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a
162 single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a
163 percent, which, if applied to all homesteads of verified eligible owners who applied for the
164 homestead exemption credit in the immediately prior tax year, would cause all but one-quarter
165 of one percent of the amount of the appropriation, minus any withholding by the governor, to be
166 distributed during that fiscal year. The remaining one-quarter of one percent shall be distributed

167 to the county assessment funds of each county on a proportional basis, based on the number of
168 eligible owners in each county; such one-quarter percent distribution shall be delineated in any
169 such appropriation as a separate line item in the total appropriation. If no appropriation is made
170 by the general assembly during any tax year or no funds are actually distributed pursuant to any
171 appropriation therefor, then no homestead preservation credit shall apply in such year.

172 12. After setting the homestead exemption limit for applications made in 2005, the
173 director shall apply the limit to the homestead of each verified eligible owner and calculate the
174 credit to be associated with each verified eligible owner's homestead, if any. The director shall
175 send a list of those eligible owners who are to receive the homestead exemption credit, including
176 the amount of each credit, the certified parcel number of the homestead, and the address of the
177 homestead property, to the county collectors or county clerks in counties with a township form
178 of government by August thirty-first. Pursuant to such calculation, the director shall instruct the
179 state treasurer as to how to distribute the appropriation and assessment fund allocation to the
180 county collector's funds of each county or the treasurer ex officio collector's fund in counties with
181 a township form of government where recipients of the homestead exemption credit are located,
182 so as to exactly offset each homestead exemption credit being issued, plus the one-quarter of one
183 percent distribution for the county assessment funds. As a result of the appropriation, in no case
184 shall a political subdivision receive more money than it would have received absent the
185 provisions of this section plus the one-quarter of one percent distribution for the county
186 assessment funds. Funds, at the direction of the county collector or the treasurer ex officio
187 collector in counties with a township form of government, shall be deposited in the county
188 collector's fund of a county or the treasurer ex officio collector's fund or may be sent by mail to
189 the collector of a county, or the treasurer ex officio collector in counties with a township form
190 of government, not later than October first in any year a homestead exemption credit is
191 appropriated as a result of this section and shall be distributed as moneys in such funds are
192 commonly distributed from other property tax revenues by the collector of the county or the
193 treasurer ex officio collector of the county in counties with a township form of government, so
194 as to exactly offset each homestead exemption credit being issued. In counties with a township
195 form of government, the county clerk shall provide the treasurer ex officio collector a summary
196 of the homestead exemption credit for each township for the purpose of distributing the total
197 homestead exemption credit to each township collector in a particular county.

198 13. If, in any given year after 2005, the general assembly shall make an appropriation for
199 the funding of the homestead exemption credit that is signed by the governor, then the director
200 shall determine the apportionment percentage by equally apportioning the appropriation among
201 all eligible applicants on a percentage basis. If no appropriation is made by the general assembly

202 during any tax year or no funds are actually distributed pursuant to any appropriation therefor,
203 then no homestead preservation credit shall apply in such year.

204 14. After determining the apportionment percentage, the director shall calculate the
205 credit to be associated with each verified eligible owner's homestead, if any. The director shall
206 send a list of those eligible owners who are to receive the homestead exemption credit, including
207 the amount of each credit, the certified parcel number of the homestead, and the address of the
208 homestead property, to the county collectors or county clerks in counties with a township form
209 of government by August thirty-first. Pursuant to such calculation, the director shall instruct the
210 state treasurer as to how to distribute the appropriation to the county collector's fund of each
211 county where recipients of the homestead exemption credit are located, so as to exactly offset
212 each homestead exemption credit being issued. As a result of the appropriation, in no case shall
213 a political subdivision receive more money than it would have received absent the provisions of
214 this section. Funds, at the direction of the collector of the county or treasurer ex officio collector
215 in counties with a township form of government, shall be deposited in the county collector's fund
216 of a county or may be sent by mail to the collector of a county, or treasurer ex officio collector
217 in counties with a township form of government, not later than October first in any year a
218 homestead exemption credit is appropriated as a result of this section and shall be distributed as
219 moneys in such funds are commonly distributed from other property tax revenues by the collector
220 of the county or the treasurer ex officio collector of the county in counties with a township form
221 of government, so as to exactly offset each homestead exemption credit being issued.

222 15. The department shall promulgate rules for implementation of this section. Any rule
223 or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the
224 authority delegated in this section shall become effective only if it complies with and is subject
225 to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
226 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the
227 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to
228 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
229 authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void. Any
230 rule promulgated by the department shall in no way impact, affect, interrupt, or interfere with the
231 performance of the required statutory duties of any county elected official, more particularly
232 including the county collector when performing such duties as deemed necessary for the
233 distribution of any homestead appropriation and the distribution of all other real and personal
234 property taxes.

235 16. In the event that an eligible owner dies or transfers ownership of the property after
236 the homestead exemption limit has been set in any given year, but prior to January first of the
237 year in which the credit would otherwise be applied, the credit shall be void and any

238 corresponding moneys, pursuant to subsection 12 of this section, shall lapse to the state to be
239 credited to the general revenue fund. In the event the collector of the county or the treasurer ex
240 officio collector of the county in counties with a township form of government determines prior
241 to issuing the credit that the individual is not an eligible owner because the individual did not pay
242 the prior three years' property tax liability in full, the credit shall be void and any corresponding
243 moneys, under subsection 11 of this section, shall lapse to the state to be credited to the general
244 revenue fund.

245 17. This section shall apply to all tax years beginning on or after January 1, 2005. This
246 subsection shall become effective June 28, 2004.

247 18. In accordance with the provisions of sections 23.250 to 23.298, RSMo, and unless
248 otherwise authorized pursuant to section 23.253, RSMo:

249 (1) Any new program authorized under the provisions of this section shall automatically
250 sunset six years after the effective date of this section; and

251 (2) This section shall terminate on September first of the year following the year in
252 which any new program authorized under this section is sunset, and the revisor of statutes shall
253 designate such sections and this section in a revision bill for repeal.

137.180. 1. Whenever any assessor shall increase the valuation of any real property he
2 shall forthwith notify the record owner of such increase, either in person, or by mail directed to
3 the last known address; every such increase in assessed valuation made by the assessor shall be
4 subject to review by the county board of equalization whereat the landowner shall be entitled to
5 be heard, and the notice to the landowner shall so state.

6 2. Effective January 1, 2009, for all counties with a charter form of government,
7 whenever any assessor shall increase the valuation of any real property, he or she shall forthwith
8 notify the record owner on or before June fifteenth of such increase and, in a year of general
9 reassessment, the county shall notify the record owner of the projected tax liability likely to result
10 from such an increase, either in person, or by mail directed to the last known address; every such
11 increase in assessed valuation made by the assessor shall be subject to review by the county
12 board of equalization whereat the landowner shall be entitled to be heard, and the notice to the
13 landowner shall so state. Notice of the projected tax liability from the county shall accompany
14 the notice of increased valuation from the assessor. **Provisions of this subsection to the**
15 **contrary notwithstanding, the governing body of any county with a charter form of**
16 **government may, by a majority vote, opt to delay the effective date of this subsection to no**
17 **later than January 1, 2013.**

18 3. Effective January 1, [2011] **2013**, for all counties not subject to the provisions of
19 subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall
20 increase the valuation of any real property, he or she shall forthwith notify the record owner on

21 or before June fifteenth of such increase and, in a year of general reassessment, the county shall
22 notify the record owner of the projected tax liability likely to result from such an increase, either
23 in person, or by mail directed to the last known address; every such increase in assessed
24 valuation made by the assessor shall be subject to review by the county board of equalization
25 whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so
26 state. Notice of the projected tax liability from the county shall accompany the notice of
27 increased valuation from the assessor.

28 4. The notice of projected tax liability, required under subsections 2 and 3 of this section,
29 from the county shall include:

30 (1) Record owner's name, address, and the parcel number of the property;

31 (2) A list of all political subdivisions levying a tax upon the property of the record
32 owner;

33 (3) The projected tax rate for each political subdivision levying a tax upon the property
34 of the record owner, and the purpose for each levy of such political subdivisions;

35 (4) The previous year's tax rates for each individual tax levy imposed by each political
36 subdivision levying a tax upon the property of the record owner;

37 (5) The tax rate ceiling for each levy imposed by each political subdivision levying a tax
38 upon the property of the record owner;

39 (6) The contact information for each political subdivision levying a tax upon the property
40 of the record owner;

41 (7) A statement identifying any projected tax rates for political subdivisions levying a
42 tax upon the property of the record owner, which were not calculated and provided by the
43 political subdivision levying the tax; and

44 (8) The total projected property tax liability of the taxpayer.

137.243. 1. To determine the "projected tax liability" required by subsections 2 and 3
2 of section 137.180, subsection 2 of section 137.355, and subsection 2 of section 137.490, the
3 assessor, on or before March first of each tax year, shall provide the clerk with the assessment
4 book which for this purpose shall contain the real estate values for that year, the prior year's state
5 assessed values, and the prior year's personal property values. On or before March fifteenth, the
6 clerk shall make out an abstract of the assessment book showing the aggregate amounts of
7 different kinds of real, personal, and other tangible property and the valuations of each for each
8 political subdivision in the county, or in the city for any city not within a county, entitled to levy
9 ad valorem taxes on property except for municipalities maintaining their own tax or assessment
10 books. The governing body of each political subdivision or a person designated by the governing
11 body shall use such information to informally project a nonbinding tax levy for that year and
12 return such projected tax levy to the clerk no later than April eighth. The clerk shall forward

13 such information to the collector who shall then calculate and, no later than April thirtieth,
14 provide to the assessor the projected tax liability for each real estate parcel for which the assessor
15 intends to mail a notice of increase pursuant to sections 137.180, 137.355, and 137.490.

16 2. Political subdivisions located at least partially within two or more counties, which are
17 subject to divergent time requirements, shall comply with all requirements applicable to each
18 such county and may utilize the most recent available information to satisfy such requirements.

19 3. Failure by an assessor to timely provide the assessment book or notice of increased
20 assessed value, as provided in this section, may result in the state tax commission withholding
21 all or a part of the moneys provided under section 137.720 and all state per-parcel reimbursement
22 funds which would otherwise be made available to such assessor.

23 4. Failure by a political subdivision to provide the clerk with a projected tax levy in the
24 time prescribed under this section shall result in a twenty percent reduction in such political
25 subdivision's tax rate for the tax year, unless such failure is a direct result of a delinquency in the
26 provision of, or failure to provide, information required by this section by the assessor or the
27 clerk. If a political subdivision fails to provide the projected tax rate as provided in this section,
28 the clerk shall notify the state auditor who shall, within seven days of receiving such notice,
29 estimate a nonbinding tax levy for such political subdivision and return such to the clerk. The
30 clerk shall notify the state auditor of any applicable reduction to a political subdivision's tax rate.

31 5. Any taxing district wholly within a county with a township form of government may,
32 through a request submitted by the county clerk, request that the state auditor's office estimate
33 a nonbinding projected tax rate based on the information provided by the county clerk. The
34 auditor's office shall return the projected tax rate to the county clerk no later than April eighth.

35 6. The clerk shall deliver the abstract of the assessment book to each taxing district with
36 a notice stating that their projected tax rates be returned to the clerk by April eighth.

37 **7. Every assessor shall, in conjunction with the filing of an assessment plan, as**
38 **required under the provisions of section 137.115, provide the state tax commission with an**
39 **estimate of costs to comply with implementation of the projected tax liability notice**
40 **requirements provided under this section, subsections 2 and 3 of section 137.180,**
41 **subsection 2 of section 137.355, and subsection 2 of section 137.490.**

42 **8. The collector of every county and every city not within a county shall, no later**
43 **than August 1, 2011, file with the state tax commission an estimate of costs to comply with**
44 **the implementation of the notice of projected tax liability requirements contained within**
45 **this section.**

137.355. 1. If an assessor increases the valuation of any tangible personal property as
2 estimated in the itemized list furnished to the assessor, and if an assessor increases the valuation
3 of any real property, he shall forthwith notify the record owner of the increase either in person

4 or by mail directed to the last known address, and if the address of the owner is unknown notice
5 shall be given by publication in two newspapers published in the county.

6 2. Effective January 1, [2011] **2013**, if an assessor increases the valuation of any real
7 property, the assessor, on or before June fifteenth, shall notify the record owner of the increase
8 and, in a year of general reassessment, the county shall notify the record owner of the projected
9 tax liability likely to result from such an increase either in person or by mail directed to the last
10 known address, and, if the address of the owner is unknown, notice shall be given by publication
11 in two newspapers published in the county. Notice of the projected tax liability from the county
12 shall accompany the notice of increased valuation from the assessor.

13 3. The notice of projected tax liability, required under subsection 2 of this section, from
14 the county shall include:

15 (1) Record owner's name, address, and the parcel number of the property;

16 (2) A list of all political subdivisions levying a tax upon the property of the record
17 owner;

18 (3) The projected tax rate for each political subdivision levying a tax upon the property
19 of the record owner, and the purpose for each levy of such political subdivisions;

20 (4) The previous year's tax rates for each individual tax levy imposed by each political
21 subdivision levying a tax upon the property of the record owner;

22 (5) The tax rate ceiling for each levy imposed by each political subdivision levying a tax
23 upon the property of the record owner;

24 (6) The contact information for each political subdivision levying a tax upon the property
25 of the record owner;

26 (7) A statement identifying any projected tax rates for political subdivisions levying a
27 tax upon the property of the record owner, which were not calculated and provided by the
28 political subdivision levying the tax; and

29 (8) The total projected property tax liability of the taxpayer.

137.385. Any person aggrieved by the assessment of his property may appeal to the
2 county board of equalization. An appeal shall be in writing and the forms to be used for this
3 purpose shall be furnished by the county clerk. Such appeal shall be lodged with the county clerk
4 as secretary of the board of equalization before the [third] **second** Monday in [June] **July**;
5 provided, that the board may in its discretion extend the time for filing such appeals.

137.425. 1. In all counties which adopt township organization, township taxes for
2 township purposes may be levied on the taxable property in the townships for the first year
3 following the adoption of township organization, based on the assessment made in the year for
4 which the taxes are levied.

5 2. The county assessor shall make out and deliver to the county clerk, not later than the
6 first day of [June] **July** of the same year, an assessment book of the county, arranged in a manner
7 so that it can be determined which township is entitled to the taxes assessed against any property.

8 3. The book shall be supplied by the county and the assessment and the list shall be
9 based upon the assessment made by the county assessor for the current year.

137.490. 1. The assessor, or his deputies under his direction, shall assess all the taxable
2 real property within the city and all tangible personal property taxable by the city under the laws
3 of this state in the manner provided in sections 137.485 to 137.550 and as otherwise provided
4 by law, and for that purpose the assessor may divide and assign the work or any of it among
5 them. They shall commence their assessment on the first day of January in each year and
6 complete the assessment, and the deputies make their final reports thereof to the assessor, on or
7 before the first day of July next following. The assessor shall see that the assessment is made
8 uniform and equal throughout the city. If the assessor proposes to increase any assessment of
9 real property, he shall give notice of the fact to the person owning the property affected, his agent
10 or representative, by personal notice, or by mail directed to the last known address.

11 2. Effective January 1, [2009] **2013**, the assessor, or his or her deputies under his or her
12 direction, shall commence their assessment on the first day of January in each year and complete
13 the assessment, and the deputies make their final reports thereof to the assessor, on or before the
14 first day of March next following. The assessor shall see that the assessment is made uniform
15 and equal throughout the city. If the assessor proposes to increase any assessment of real
16 property, the assessor shall, on or before the fifteenth day of June, give notice of the fact and, in
17 a year of general reassessment, the city shall provide notice of the projected tax liability likely
18 to result from such an increase to the person owning the property affected, his or her agent or
19 representative, by personal notice, or by mail directed to the last known address. Notice of the
20 projected tax liability from the city shall accompany the notice of increased valuation from the
21 assessor.

22 3. The notice of projected tax liability, required under subsection 2 of this section, from
23 the city shall include:

24 (1) Record owner's name, address, and the parcel number of the property;

25 (2) A list of all political subdivisions levying a tax upon the property of the record
26 owner;

27 (3) The projected tax rate for each political subdivision levying a tax upon the property
28 of the record owner, and the purpose for each levy of such political subdivisions;

29 (4) The previous year's tax rates for each individual tax levy imposed by each political
30 subdivision levying a tax upon the property of the record owner;

31 (5) The tax rate ceiling for each levy imposed by each political subdivision levying a tax
32 upon the property of the record owner;

33 (6) The contact information for each political subdivision levying a tax upon the property
34 of the record owner;

35 (7) A statement identifying any projected tax rates for political subdivisions levying a
36 tax upon the property of the record owner, which were not calculated and provided by the
37 political subdivision levying the tax; and

38 (8) The total projected property tax liability of the taxpayer.

137.720. 1. A percentage of all ad valorem property tax collections allocable to each
2 taxing authority within the county and the county shall be deducted from the collections of taxes
3 each year and shall be deposited into the assessment fund of the county as required pursuant to
4 section 137.750. The percentage shall be one-half of one percent for all counties of the first and
5 second classification and cities not within a county and one percent for counties of the third and
6 fourth classification.

7 2. Prior to July 1, 2009, for counties of the first classification, counties with a charter
8 form of government, and any city not within a county, an additional one-eighth of one percent
9 of all ad valorem property tax collections shall be deducted from the collections of taxes each
10 year and shall be deposited into the assessment fund of the county as required pursuant to section
11 137.750, and for counties of the second, third, and fourth classification, an additional one-quarter
12 of one percent of all ad valorem property tax collections shall be deducted from the collections
13 of taxes each year and shall be deposited into the assessment fund of the county as required
14 pursuant to section 137.750, provided that such additional amounts shall not exceed one hundred
15 thousand dollars in any year for any county of the first classification and any county with a
16 charter form of government and fifty thousand dollars in any year for any county of the second,
17 third, or fourth classification.

18 3. Effective July 1, 2009, for counties of the first classification, counties with a charter
19 form of government, and any city not within a county, an additional one-eighth of one percent
20 of all ad valorem property tax collections shall be deducted from the collections of taxes each
21 year and shall be deposited into the assessment fund of the county as required pursuant to section
22 137.750, and for counties of the second, third, and fourth classification, an additional one-half
23 of one percent of all ad valorem property tax collections shall be deducted from the collections
24 of taxes each year and shall be deposited into the assessment fund of the county as required
25 pursuant to section 137.750, provided that such additional amounts shall not exceed one hundred
26 twenty-five thousand dollars in any year for any county of the first classification and any county
27 with a charter form of government and seventy-five thousand dollars in any year for any county
28 of the second, third, or fourth classification.

29 4. The county shall bill any taxing authority collecting its own taxes. The county may
30 also provide additional moneys for the fund. To be eligible for state cost-share funds provided
31 pursuant to section 137.750, every county shall provide from the county general revenue fund
32 an amount equal to an average of the three most recent years of the amount provided from
33 general revenue to the assessment fund; provided, however, that capital expenditures and
34 equipment expenses identified in a memorandum of understanding signed by the county's
35 governing body and the county assessor prior to transfer of county general revenue funds to the
36 assessment fund shall be deducted from a year's contribution before computing the three-year
37 average, except that a lesser amount shall be acceptable if unanimously agreed upon by the
38 county assessor, the county governing body, and the state tax commission. The county shall
39 deposit the county general revenue funds in the assessment fund as agreed to in its original or
40 amended maintenance plan, state reimbursement funds shall be withheld until the amount due
41 is properly deposited in such fund.

42 5. For all years beginning on or after January 1, 2010, any property tax collections
43 deposited into the county assessment funds provided [for] in [subsection 2 of] this section shall
44 be disallowed in any year in which the state tax commission notifies the county that state
45 assessment reimbursement funds have been withheld from the county for three consecutive
46 quarters due to noncompliance by the assessor or county commission with the county's
47 assessment maintenance plan.

48 6. The provisions of subsections 2, 3, and 5 of this section shall expire on December 31,
49 2015.

138.140. 1. In all constitutional charter cities not situated within any county there shall
2 be a board of equalization consisting of the assessor, who shall be its president, and [four] **six**
3 taxpaying, property-owning citizens resident in the city for five years next before their
4 appointment, who shall be appointed annually by the mayor on or before the [second Monday
5 in May] **first day of July** of each year.

6 2. Each member shall take an oath similar to that required by law of members of county
7 boards of equalization.

8 3. Their compensation shall be fixed by ordinance.

9 4. Vacancies or absences on the board of equalization caused by death, incapacity to
10 perform duties, failure to attend three consecutive meetings, or resignation shall be filled
11 forthwith by appointment by the mayor.

12 **5. Two of the six taxpaying, property-owning citizen residents of the board shall**
13 **be designated by the mayor to serve as alternates to serve when one or more of the citizen**
14 **residents are unavailable.**

139.031. 1. Any taxpayer may protest all or any part of any current taxes assessed
2 against the taxpayer, except taxes collected by the director of revenue of Missouri. Any such
3 taxpayer desiring to pay any current taxes under protest **or while paying taxes based upon a**
4 **disputed assessment** shall, at the time of paying such taxes, **make full payment of the current**
5 **tax bill prior to the delinquency date and** file with the collector a written statement setting
6 forth the grounds on which the protest **or dispute** is based. The statement shall include the true
7 value in money claimed by the taxpayer if disputed. **An appeal before the state tax**
8 **commission shall not be dismissed solely on the grounds that a taxpayer failed to file a**
9 **written statement when paying taxes based upon a disputed assessment.**

10 [2. For all tax years beginning on or after January 1, 2009, any taxpayer desiring to
11 protest any current taxes shall make full payment of the current tax bill and file with the collector
12 a written statement setting forth the grounds on which the protest is based.

13 3.] **2.** Upon receiving payment of current taxes under protest pursuant to subsection 1
14 of this section or upon receiving from the state tax commission or the circuit court notice of an
15 appeal from the state tax commission or the circuit court pursuant to section 138.430, RSMo, the
16 collector shall disburse to the proper official all portions of taxes not protested or not disputed
17 by the taxpayer and shall impound in a separate fund all portions of such taxes which are
18 protested or in dispute. Every taxpayer protesting the payment of current taxes under subsection
19 1 [or 2] of this section shall, within ninety days after filing his protest, commence an action
20 against the collector by filing a petition for the recovery of the amount protested in the circuit
21 court of the county in which the collector maintains his office. If any taxpayer so protesting his
22 taxes under subsection 1 [or 2] of this section shall fail to commence an action in the circuit court
23 for the recovery of the taxes protested within the time prescribed in this subsection, such protest
24 shall become null and void and of no effect, and the collector shall then disburse to the proper
25 official the taxes impounded, and any interest earned thereon, as provided above in this
26 subsection.

27 [4.] **3.** No action against the collector shall be commenced by any taxpayer who has,
28 effective for the current tax year, filed with the state tax commission or the circuit court a timely
29 and proper appeal of the assessment of the taxpayer's property. The portion of taxes in dispute
30 from an appeal of an assessment shall be impounded in a separate fund and the commission in
31 its decision and order issued pursuant to chapter 138, RSMo, or the circuit court in its judgment
32 may order all or any part of such taxes refunded to the taxpayer, or may authorize the collector
33 to release and disburse all or any part of such taxes.

34 [5.] **4.** Trial of the action, for recovery of taxes protested under subsection 1 [or 2] of this
35 section in the circuit court shall be in the manner prescribed for nonjury civil proceedings, and,
36 after determination of the issues, the court shall make such orders as may be just and equitable

37 to refund to the taxpayer all or any part of the current taxes paid under protest, together with any
38 interest earned thereon, or to authorize the collector to release and disburse all or any part of the
39 impounded taxes, and any interest earned thereon, to the appropriate officials of the taxing
40 authorities. Either party to the proceedings may appeal the determination of the circuit court.

41 [6.] 5. All the county collectors of taxes, and the collector of taxes in any city not within
42 a county, shall, upon written application of a taxpayer, refund or credit against the taxpayer's tax
43 liability in the following taxable year and subsequent consecutive taxable years until the taxpayer
44 has received credit in full for any real or personal property tax mistakenly or erroneously levied
45 against the taxpayer and collected in whole or in part by the collector. Such application shall be
46 filed within three years after the tax is mistakenly or erroneously paid. The governing body, or
47 other appropriate body or official of the county or city not within a county, shall make available
48 to the collector funds necessary to make refunds under this subsection by issuing warrants upon
49 the fund to which the mistaken or erroneous payment has been credited, or otherwise.

50 [7.] 6. No taxpayer shall receive any interest on any money paid in by the taxpayer
51 erroneously.

52 [8.] 7. All protested taxes impounded under protest under subsection 1 [or 2] of this
53 section and all disputed taxes impounded under notice as required by section 138.430, RSMo,
54 shall be invested by the collector in the same manner as assets specified in section 30.260,
55 RSMo, for investment of state moneys. A taxpayer who is entitled to a refund of protested or
56 disputed taxes shall also receive the interest earned on the investment thereof. If the collector
57 is ordered to release and disburse all or part of the taxes paid under protest or dispute to the
58 proper official, such taxes shall be disbursed along with the proportional amount of interest
59 earned on the investment of the taxes due the particular taxing authority.

60 [9.] 8. On or before March first next following the delinquent date of taxes paid under
61 protest or disputed, the county collector shall notify any taxing authority of the taxes paid under
62 protest and disputed taxes which would be received by such taxing authority if the funds were
63 not the subject of a protest or dispute. Any taxing authority may apply to the circuit court of the
64 county or city not within a county in which a collector has impounded protested or disputed taxes
65 under this section and, upon a satisfactory showing that such taxing authority would receive such
66 impounded tax funds if they were not the subject of a protest or dispute and that such taxing
67 authority has the financial ability and legal capacity to repay such impounded tax funds in the
68 event a decision ordering a refund to the taxpayer is subsequently made, the circuit court shall
69 order, pendente lite, the disbursal of all or any part of such impounded tax funds to such taxing
70 authority. The circuit court issuing an order under this subsection shall retain jurisdiction of such
71 matter for further proceedings, if any, to compel restitution of such tax funds to the taxpayer.
72 In the event that any protested or disputed tax funds refunded to a taxpayer were disbursed to a

73 taxing authority under this subsection instead of being held and invested by the collector under
74 subsection [8] 7 of this section, such taxing authority shall pay the taxpayer entitled to the refund
75 of such protested or disputed taxes the same amount of interest, as determined by the circuit
76 court having jurisdiction in the matter, such protested or disputed taxes would have earned if
77 they had been held and invested by the collector.

78 [10.] 9. No appeal filed from the circuit court's or state tax commission's determination
79 pertaining to the amount of refund shall stay any order of refund, but the decision filed by any
80 court of last review modifying that determination shall be binding on the parties, and the decision
81 rendered shall be complied with by the party affected by any modification within ninety days of
82 the date of such decision. No taxpayer shall receive any interest on any additional award of
83 refund, and the collector shall not receive any interest on any ordered return of refund in whole
84 or in part.

Section B. Because of the need to ensure equitable and efficient imposition in collection
2 of property taxes, section A of this act is deemed necessary for the immediate preservation of the
3 public health, welfare, peace and safety, and is hereby declared to be an emergency act within
4 the meaning of the constitution, and section A of this act shall be in full force and effect upon
5 its passage and approval.

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