

FIRST REGULAR SESSION

# HOUSE BILL NO. 888

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES NIEVES (Sponsor), RUESTMAN, JONES (89), KOENIG, SATER, BROWN (50), DOUGHERTY, McNARY, KRAUS, LEARA, ERVIN, ICET, ALLEN AND DIEHL (Co-sponsors).

1771L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 137.073, 137.076, 137.115, and 138.380, RSMo, and to enact in lieu thereof five new sections relating to the predictable property tax act, with a contingent effective date.

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

Section A. Sections 137.073, 137.076, 137.115, and 138.380, RSMo, are repealed and  
2 five new sections enacted in lieu thereof, to be known as sections 137.073, 137.076, 137.115,  
3 137.123, and 138.380, to read as follows:

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

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 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 most recent voter-approved rate. Such tax revenue shall not include any  
49 receipts from ad valorem levies on any real property which was assessed by the assessor of a

50 county or city in such previous year but is assessed by the assessor of a county or city in the  
51 current year in a different subclass of real property. Where the taxing authority is a school  
52 district for the purposes of revising the applicable rates of levy for each subclass of real property,  
53 the tax revenues from state-assessed railroad and utility property shall be apportioned and  
54 attributed to each subclass of real property based on the percentage of the total assessed valuation  
55 of the county that each subclass of real property represents in the current taxable year. As  
56 provided in section 22 of article X of the constitution, a political subdivision may also revise  
57 each levy to allow for inflationary assessment growth occurring within the political subdivision.  
58 The inflationary growth factor for any such subclass of real property or personal property shall  
59 be limited to the actual assessment growth in such subclass or class, exclusive of new  
60 construction and improvements, and exclusive of the assessed value on any real property which  
61 was assessed by the assessor of a county or city in the current year in a different subclass of real  
62 property, but not to exceed the consumer price index or five percent, whichever is lower. Should  
63 the tax revenue of a political subdivision from the various tax rates determined in this subsection  
64 be different than the tax revenue that would have been determined from a single tax rate as  
65 calculated pursuant to the method of calculation in this subsection prior to January 1, 2003, then  
66 the political subdivision shall revise the tax rates of those subclasses of real property,  
67 individually, and/or personal property, in the aggregate, in which there is a tax rate reduction,  
68 pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such  
69 difference and shall be apportioned among such subclasses of real property, individually, and/or  
70 personal property, in the aggregate, based on the relative assessed valuation of the class or  
71 subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each  
72 class or subclass shall be made by computing the percentage of current year adjusted assessed  
73 valuation of each class or subclass with a tax rate reduction to the total current year adjusted  
74 assessed valuation of the class or subclasses with a tax rate reduction, multiplying the resulting  
75 percentages by the revenue difference between the single rate calculation and the calculations  
76 pursuant to this subsection and dividing by the respective adjusted current year assessed  
77 valuation of each class or subclass to determine the adjustment to the rate to be levied upon each  
78 class or subclass of property. The adjustment computed herein shall be multiplied by one  
79 hundred, rounded to four decimals in the manner provided in this subsection, and added to the  
80 initial rate computed for each class or subclass of property. Notwithstanding any provision of  
81 this subsection to the contrary, no revision to the rate of levy for personal property shall cause  
82 such levy to increase over the levy for personal property from the prior year.

83 3. (1) Where the taxing authority is a school district, it shall be required to revise the  
84 rates of levy to the extent necessary to produce from all taxable property, including state-assessed  
85 railroad and utility property, which shall be separately estimated in addition to other data

86 required in complying with section 164.011, RSMo, substantially the amount of tax revenue  
87 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be  
88 adjusted to offset such district's reduction in the apportionment of state school moneys due to its  
89 reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling  
90 pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility  
91 valuation or loss of state aid, discovers that the estimates used result in receipt of excess  
92 revenues, which would have required a lower rate if the actual information had been known, the  
93 school district shall reduce the tax rate ceiling in the following year to compensate for the excess  
94 receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

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

99 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies  
100 taxes to compensate for the reduction in assessed value occurring after the political subdivision  
101 calculated the tax rate ceiling for the particular subclass of real property or for personal property,  
102 in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the  
103 time of the next calculation of the tax rate for the particular subclass of real property or for  
104 personal property, in the aggregate, after the reduction in assessed valuation has been determined  
105 and shall be calculated in a manner that results in the revised tax rate ceiling being the same as  
106 it would have been had the corrected or finalized assessment been available at the time of the  
107 prior calculation;

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

113 4. (1) In order to implement the provisions of this section and section 22 of article X of  
114 the Constitution of Missouri, the term "improvements" shall apply to both real and personal  
115 property. In order to determine the value of new construction and improvements, each county  
116 assessor shall maintain a record of real property valuations in such a manner as to identify each  
117 year the increase in valuation for each political subdivision in the county as a result of new  
118 construction and improvements. The value of new construction and improvements shall include  
119 the additional assessed value of all improvements or additions to real property which were begun  
120 after and were not part of the prior year's assessment, except that the additional assessed value  
121 of all improvements or additions to real property which had been totally or partially exempt from

122 ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255,  
123 RSMo, and section 353.110, RSMo, shall be included in the value of new construction and  
124 improvements when the property becomes totally or partially subject to assessment and payment  
125 of all ad valorem taxes. The aggregate increase in valuation of personal property for the current  
126 year over that of the previous year is the equivalent of the new construction and improvements  
127 factor for personal property. [Notwithstanding any opt-out implemented pursuant to subsection  
128 15 of section 137.115,] The assessor shall certify the amount of new construction and  
129 improvements and the amount of assessed value on any real property which was assessed by the  
130 assessor of a county or city in such previous year but is assessed by the assessor of a county or  
131 city in the current year in a different subclass of real property separately for each of the three  
132 subclasses of real property for each political subdivision to the county clerk in order that political  
133 subdivisions shall have this information for the purpose of calculating tax rates pursuant to this  
134 section and section 22, article X, Constitution of Missouri. In addition, the state tax commission  
135 shall certify each year to each county clerk the increase in the general price level as measured by  
136 the Consumer Price Index for All Urban Consumers for the United States, or its successor  
137 publications, as defined and officially reported by the United States Department of Labor, or its  
138 successor agency. The state tax commission shall certify the increase in such index on the latest  
139 twelve-month basis available on February first of each year over the immediately preceding prior  
140 twelve-month period in order that political subdivisions shall have this information available in  
141 setting their tax rates according to law and section 22 of article X of the Constitution of Missouri.  
142 For purposes of implementing the provisions of this section and section 22 of article X of the  
143 Missouri Constitution, the term "property" means all taxable property, including state-assessed  
144 property.

145 (2) Each political subdivision required to revise rates of levy pursuant to this section or  
146 section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized  
147 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision  
148 provided in this section and section 22 of article X of the Constitution of Missouri, separately  
149 and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section  
150 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using  
151 the calculation that produces the lowest tax rate ceiling. It is further the intent of the general  
152 assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri,  
153 that the provisions of such section be applicable to tax rate revisions mandated pursuant to  
154 section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in  
155 subsequent years, enforcement provisions, and other provisions not in conflict with section 22  
156 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section  
157 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established

158 pursuant to this section and section 22 of article X of the Constitution of Missouri, unless  
159 otherwise provided by law.

160           5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section  
161 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate  
162 shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval  
163 by more than a simple majority pursuant to any provision of law or the constitution, the tax rate  
164 increase must receive approval by at least the majority required.

165           (2) When voters approve an increase in the tax rate, the amount of the increase shall be  
166 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does  
167 not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate  
168 for approval rather than describing the amount of increase in the question, the stated tax rate  
169 approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax  
170 rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied  
171 to the current total assessed valuation of the political subdivision, excluding new construction  
172 and improvements since the date of the election approving such increase, the revenue derived  
173 from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would  
174 have been derived by applying the voter-approved increased tax rate ceiling to total assessed  
175 valuation of the political subdivision, as most recently certified by the city or county clerk on or  
176 before the date of the election in which such increase is approved, increased by the percentage  
177 increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be  
178 applied to the total assessed valuation of the political subdivision at the setting of the next tax  
179 rate. If a ballot question presents a phased-in tax rate increase, upon voter approval, each tax rate  
180 increase shall be adjusted in the manner prescribed in this section to yield the sum of: the  
181 amount of revenue that would be derived by applying such voter-approved increased rate to the  
182 total assessed valuation, as most recently certified by the city or county clerk on or before the  
183 date of the election in which such increase was approved, increased by the percentage increase  
184 in the consumer price index, as provided by law, from the date of the election to the time of such  
185 increase and, so adjusted, shall be the current tax rate ceiling.

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

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

203 6. (1) For the purposes of calculating state aid for public schools pursuant to section  
204 163.031, RSMo, each taxing authority which is a school district shall determine its proposed tax  
205 rate as a blended rate of the classes or subclasses of property. Such blended rate shall be  
206 calculated by first determining the total tax revenue of the property within the jurisdiction of the  
207 taxing authority, which amount shall be equal to the sum of the products of multiplying the  
208 assessed valuation of each class and subclass of property by the corresponding tax rate for such  
209 class or subclass, then dividing the total tax revenue by the total assessed valuation of the same  
210 jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the  
211 taxing authority is a school district, such blended rate shall also be used by such school district  
212 for calculating revenue from state-assessed railroad and utility property as defined in chapter 151,  
213 RSMo, and for apportioning the tax rate by purpose.

214 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk  
215 of the county commission in the county or counties where the tax rate applies of its tax rate  
216 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a  
217 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one  
218 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth  
219 of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to  
220 the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a  
221 cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next  
222 higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data,  
223 in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate  
224 complies with Missouri law. All forms for the calculation of rates pursuant to this section shall  
225 be promulgated as a rule and shall not be incorporated by reference. The state auditor shall  
226 promulgate rules for any and all forms for the calculation of rates pursuant to this section which  
227 do not currently exist in rule form or that have been incorporated by reference. In addition, each  
228 taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as

229 shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service  
230 complies with Missouri law. A tax rate proposed for annual debt service requirements will be  
231 prima facie valid if, after making the payment for which the tax was levied, bonds remain  
232 outstanding and the debt fund reserves do not exceed the following year's payments. The county  
233 clerk shall keep on file and available for public inspection all such information for a period of  
234 three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing  
235 authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor.  
236 The state auditor shall, within fifteen days of the date of receipt, examine such information and  
237 return to the county clerk his or her findings as to compliance of the tax rate ceiling with this  
238 section and as to compliance of any proposed tax rate for debt service with Missouri law. If the  
239 state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri  
240 law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor  
241 may request a taxing authority to submit documentation supporting such taxing authority's  
242 proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings  
243 to the taxing authority and shall file a copy of the findings with the information received from  
244 the taxing authority. The taxing authority shall have fifteen days from the date of receipt from  
245 the county clerk of the state auditor's findings and any request for supporting documentation to  
246 accept or reject in writing the rate change certified by the state auditor and to submit all requested  
247 information to the state auditor. A copy of the taxing authority's acceptance or rejection and any  
248 information submitted to the state auditor shall also be mailed to the county clerk. If a taxing  
249 authority rejects a rate change certified by the state auditor and the state auditor does not receive  
250 supporting information which justifies the taxing authority's original or any subsequent proposed  
251 tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the  
252 attorney general's office and the attorney general is authorized to obtain injunctive relief to  
253 prevent the taxing authority from levying a violative tax rate.

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

256         8. Whenever a taxpayer has cause to believe that a taxing authority has not complied  
257 with the provisions of this section, the taxpayer may make a formal complaint with the  
258 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within  
259 ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this  
260 section and institute an action as representative of a class of all taxpayers within a taxing  
261 authority if the class is so numerous that joinder of all members is impracticable, if there are  
262 questions of law or fact common to the class, if the claims or defenses of the representative  
263 parties are typical of the claims or defenses of the class, and if the representative parties will  
264 fairly and adequately protect the interests of the class. In any class action maintained pursuant

265 to this section, the court may direct to the members of the class a notice to be published at least  
266 once each week for four consecutive weeks in a newspaper of general circulation published in  
267 the county where the civil action is commenced and in other counties within the jurisdiction of  
268 a taxing authority. The notice shall advise each member that the court will exclude him or her  
269 from the class if he or she so requests by a specified date, that the judgment, whether favorable  
270 or not, will include all members who do not request exclusion, and that any member who does  
271 not request exclusion may, if he or she desires, enter an appearance. In any class action brought  
272 pursuant to this section, the court, in addition to the relief requested, shall assess against the  
273 taxing authority found to be in violation of this section the reasonable costs of bringing the  
274 action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any  
275 attorney or association of attorneys who receive public funds from any source for their services.  
276 Any action brought pursuant to this section shall be set for hearing as soon as practicable after  
277 the cause is at issue.

278 9. If in any action, including a class action, the court issues an order requiring a taxing  
279 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the  
280 collection of a tax because of its failure to revise the rate of levy as provided in this section, any  
281 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her  
282 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031,  
283 RSMo, or otherwise contested. The part of the taxes paid erroneously is the difference in the  
284 amount produced by the original levy and the amount produced by the revised levy. The  
285 township or county collector of taxes or the collector of taxes in any city shall refund the amount  
286 of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided  
287 in this section shall make available to the collector all funds necessary to make refunds pursuant  
288 to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him  
289 or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall  
290 be construed to require a taxing authority to refund any tax erroneously paid prior to or during  
291 the third tax year preceding the current tax year.

292 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that  
293 is created under the authority delegated in this section shall become effective only if it complies  
294 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section  
295 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers  
296 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the  
297 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the  
298 grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be  
299 invalid and void.

137.076. In establishing the value of a parcel of real property the county assessor shall  
2 consider **current market conditions, professional appraisals, and** previous decisions of the  
3 county board of equalization, the state tax commission or a court of competent jurisdiction that  
4 affected the value of such parcel.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's  
2 deputies in all counties of this state including the city of St. Louis shall annually make a list of  
3 all real and tangible personal property taxable in the assessor's city, county, town or district.  
4 Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor  
5 shall annually assess all personal property at thirty-three and one-third percent of its true value  
6 in money as of January first of each calendar year. **As provided in this section and section**  
7 **137.123**, the assessor shall annually assess all real property, including any new construction and  
8 improvements to real property, and possessory interests in real property at the [percent]  
9 **percentage** of its true value in money set in subsection 5 of this section. The true value in  
10 money of any possessory interest in real property in subclass (3), where such real property is on  
11 or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined  
12 by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a  
13 political subdivision, shall be the otherwise applicable true value in money of any such  
14 possessory interest in real property, less the total dollar amount of costs paid by a party, other  
15 than the political subdivision, towards any new construction or improvements on such real  
16 property completed after January 1, 2008, and which are included in the above-mentioned  
17 possessory interest, regardless of the year in which such costs were incurred or whether such  
18 costs were considered in any prior year. The assessor shall annually assess all real property in  
19 the following manner: new assessed values shall be determined as of January first of each  
20 odd-numbered year and shall be entered in the assessor's books; those same assessed values shall  
21 apply in the following even-numbered year, except for new construction and property  
22 improvements which shall be valued as though they had been completed as of January first of  
23 the preceding odd-numbered year. The assessor may call at the office, place of doing business,  
24 or residence of each person required by this chapter to list property, and require the person to  
25 make a correct statement of all taxable tangible personal property owned by the person or under  
26 his or her care, charge or management, taxable in the county. On or before January first of each  
27 even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance  
28 plan to the county governing body and the state tax commission for their respective approval or  
29 modification. The county governing body shall approve and forward such plan or its alternative  
30 to the plan to the state tax commission by February first. If the county governing body fails to  
31 forward the plan or its alternative to the plan to the state tax commission by February first, the  
32 assessor's plan shall be considered approved by the county governing body. If the state tax

33 commission fails to approve a plan and if the state tax commission and the assessor and the  
34 governing body of the county involved are unable to resolve the differences, in order to receive  
35 state cost-share funds outlined in section 137.750, the county or the assessor shall petition the  
36 administrative hearing commission, by May first, to decide all matters in dispute regarding the  
37 assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while  
38 the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final  
39 decision of the administrative hearing commission shall be subject to judicial review in the  
40 circuit court of the county involved. In the event a valuation of subclass (1) real property within  
41 any county with a charter form of government, or within a city not within a county, is made by  
42 a computer, computer-assisted method or a computer program, the burden of proof, supported  
43 by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at  
44 any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be  
45 a presumption that the assessment was made by a computer, computer-assisted method or a  
46 computer program. Such evidence shall include, but shall not be limited to, the following:

47 (1) The findings of the assessor based on an appraisal of the property by generally  
48 accepted appraisal techniques; and

49 (2) The purchase prices from sales of at least three comparable properties and the address  
50 or location thereof. As used in this subdivision, the word "comparable" means that:

51 (a) Such sale was closed at a date relevant to the property valuation; and

52 (b) Such properties are not more than one mile from the site of the disputed property,  
53 except where no similar properties exist within one mile of the disputed property, the nearest  
54 comparable property shall be used. Such property shall be within five hundred square feet in size  
55 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,  
56 and other relevant characteristics.

57 2. Assessors in each county of this state and the city of St. Louis may send personal  
58 property assessment forms through the mail.

59 3. The following items of personal property shall each constitute separate subclasses of  
60 tangible personal property and shall be assessed and valued for the purposes of taxation at the  
61 following percentages of their true value in money:

62 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of one  
63 percent;

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

66 (4) Motor vehicles which are eligible for registration as and are registered as historic  
67 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five

68 years old and which are used solely for noncommercial purposes and are operated less than fifty  
69 hours per year or aircraft that are home built from a kit, five percent;

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in  
72 retooling for the purpose of introducing new product lines or used for making improvements to  
73 existing products by any company which is located in a state enterprise zone and which is  
74 identified by any standard industrial classification number cited in subdivision (6) of section  
75 135.200, RSMo, twenty-five percent.

76 4. The person listing the property shall enter a true and correct statement of the property,  
77 in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed  
78 and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered  
79 to the assessor.

80 5. All subclasses of real property, as such subclasses are established in section 4(b) of  
81 article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the  
82 following percentages of true value:

83 (1) For real property in subclass (1), nineteen percent;

84 (2) For real property in subclass (2), twelve percent; and

85 (3) For real property in subclass (3), thirty-two percent.

86 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used  
87 as dwelling units shall be assessed at the same percentage of true value as residential real  
88 property for the purpose of taxation. The percentage of assessment of true value for such  
89 manufactured homes shall be the same as for residential real property. If the county collector  
90 cannot identify or find the manufactured home when attempting to attach the manufactured home  
91 for payment of taxes owed by the manufactured home owner, the county collector may request  
92 the county commission to have the manufactured home removed from the tax books, and such  
93 request shall be granted within thirty days after the request is made; however, the removal from  
94 the tax books does not remove the tax lien on the manufactured home if it is later identified or  
95 found. A manufactured home located in a manufactured home rental park, rental community or  
96 on real estate not owned by the manufactured home owner shall be considered personal property.  
97 A manufactured home located on real estate owned by the manufactured home owner may be  
98 considered real property.

99 7. Each manufactured home assessed shall be considered a parcel for the purpose of  
100 reimbursement pursuant to section 137.750, unless the manufactured home has been converted  
101 to real property in compliance with section 700.111, RSMo, and assessed as a realty  
102 improvement to the existing real estate parcel.

103           8. Any amount of tax due and owing based on the assessment of a manufactured home  
104 shall be included on the personal property tax statement of the manufactured home owner unless  
105 the manufactured home has been converted to real property in compliance with section 700.111,  
106 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured  
107 home as a realty improvement to the existing real estate parcel shall be included on the real  
108 property tax statement of the real estate owner.

109           9. The assessor of each county and each city not within a county shall use the trade-in  
110 value published in the October issue of the National Automobile Dealers' Association Official  
111 Used Car Guide, or its successor publication, as the recommended guide of information for  
112 determining the true value of motor vehicles described in such publication. In the absence of a  
113 listing for a particular motor vehicle in such publication, the assessor shall use such information  
114 or publications which in the assessor's judgment will fairly estimate the true value in money of  
115 the motor vehicle.

116           10. [Before the assessor may increase the assessed valuation of any parcel of subclass  
117 (1) real property by more than fifteen percent since the last assessment, excluding increases due  
118 to new construction or improvements, the assessor shall conduct a physical inspection of such  
119 property.

120           11.] If a physical inspection is required, [pursuant to subsection 10 of this section,] the  
121 assessor shall notify the property owner of that fact in writing and shall provide the owner clear  
122 written notice of the owner's rights relating to the physical inspection. If a physical inspection  
123 is required, the property owner may request that an interior inspection be performed during the  
124 physical inspection. The owner shall have no less than thirty days to notify the assessor of a  
125 request for an interior physical inspection.

126           [12.] **11.** A physical inspection[, as required by subsection 10 of this section,] shall  
127 include, but not be limited to, an on-site personal observation and review of all exterior portions  
128 of the land and any buildings and improvements to which the inspector has or may reasonably  
129 and lawfully gain external access, and shall include an observation and review of the interior of  
130 any buildings or improvements on the property upon the timely request of the owner pursuant  
131 to subsection [11] **10** of this section. Mere observation of the property via a drive-by inspection  
132 or the like shall not be considered sufficient to constitute a physical inspection as required by this  
133 section.

134           [13.] **12.** The provisions of subsections [11 and 12] **10 and 11** of this section shall only  
135 apply in any county with a charter form of government with more than one million inhabitants.

136           [14.] **13.** A county or city collector may accept credit cards as proper form of payment  
137 of outstanding property tax or license due. No county or city collector may charge surcharge for  
138 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,

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

143 [15. Any county or city not within a county in this state may, by an affirmative vote of  
144 the governing body of such county, opt out of the provisions of this section and sections 137.073,  
145 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general  
146 assembly, second regular session and section 137.073 as modified by house committee substitute  
147 for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general  
148 assembly, second regular session, for the next year of the general reassessment, prior to January  
149 first of any year. No county or city not within a county shall exercise this opt-out provision after  
150 implementing the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo,  
151 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and  
152 section 137.073 as modified by house committee substitute for senate substitute for senate  
153 committee substitute for senate bill no. 960, ninety-second general assembly, second regular  
154 session, in a year of general reassessment. For the purposes of applying the provisions of this  
155 subsection, a political subdivision contained within two or more counties where at least one of  
156 such counties has opted out and at least one of such counties has not opted out shall calculate a  
157 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general  
158 assembly, second regular session. A governing body of a city not within a county or a county  
159 that has opted out under the provisions of this subsection may choose to implement the  
160 provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by  
161 house bill no. 1150 of the ninety-first general assembly, second regular session, and section  
162 137.073 as modified by house committee substitute for senate substitute for senate committee  
163 substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the  
164 next year of general reassessment, by an affirmative vote of the governing body prior to  
165 December thirty-first of any year.

166 16. The governing body of any city of the third classification with more than twenty-six  
167 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located  
168 in any county that has exercised its authority to opt out under subsection 15 of this section may  
169 levy separate and differing tax rates for real and personal property only if such city bills and  
170 collects its own property taxes or satisfies the entire cost of the billing and collection of such  
171 separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax  
172 rate ceiling.]

173 **14. No opt-out exercised by any county or city under any provision of this section**  
174 **allowing an opt-out before the effective date of this section shall be valid.**

137.123. 1. This section shall be known and may be cited as the "Predictable  
2 Property Tax Act".

3 2. The assessor of each county of this state and any city not within a county shall  
4 reassess residential real property every odd numbered year as provided under this section,  
5 and shall consider current market conditions in making such reassessments. Where  
6 appropriate, assessors shall decrease assessed values to accurately reflect fair market value.

7 3. Excluding new construction and improvement, the assessed value of property in  
8 subclass 1 of class 1 provided under sections 4(a) and 4(b), article X, Constitution of  
9 Missouri, shall not increase by a percentage greater than the lesser of:

10 (1) The percentage of increase over the previous year in the Consumer Price Index  
11 for all Urban Consumers for the Midwest Region as prepared by the United States Bureau  
12 of Labor Statistics, or its successor index, or;

13 (2) Two percent due to reassessment in any year in which such property is not  
14 subject to a transfer of ownership.

15 4. Upon transfer of ownership of a property, such property shall be reassessed at  
16 the percentage provided under section 137.115 of the property's true value. For purposes  
17 of this section, the term "transfer of ownership" shall not include:

18 (1) Conveyances of residential real property between individuals within the second  
19 degree of consanguinity;

20 (2) The sale of residential real property and subsequent purchase of another parcel  
21 of residential real property located within the same county, by a person age fifty-five years  
22 or older, provided the newly acquired property's value is not more than one million dollars  
23 more than the market value of the previously owned property.

24 5. Where a taxpayer disputes an assessor's determination of assessed valuation for  
25 a parcel of residential real property owned by such taxpayer, the submission of an  
26 appraised value of such property determined by a licensed or certified appraiser shall be  
27 binding upon the assessor and shall constitute the basis for determining the assessed value  
28 of such property. For purposes of this subsection the term "licensed or certified  
29 appraiser" shall mean any assessor who is licensed or certified under sections 339.500 to  
30 339.549, RSMo, and who is a member of the National Association of Master Appraisers or  
31 who has the designation of a residential accredited appraiser.

138.380. It shall be the duty of the state tax commission, and the commissioners shall  
2 have authority, to perform all duties enumerated in this section and such other duties as may be  
3 provided by law:

4 (1) To raise or lower the assessed valuation of any real or tangible personal property,  
5 including the power to raise or lower the assessed valuation of the real or tangible personal

6 property of any individual, copartnership, company, association or corporation; provided, that  
7 before any such assessment is so raised, notice of the intention of the commission to raise such  
8 assessed valuation and of the time and place at which a hearing thereon will be held, shall be  
9 given to such individual, copartnership, company, association or corporation as provided in  
10 sections 138.460 and 138.470;

11 (2) To require from any officer in this state, on forms prescribed by the commission,  
12 such annual or other reports as shall enable said commission to ascertain the assessed and  
13 equalized value of all real and tangible property listed for taxation, the amount of taxes assessed,  
14 collected and returned, and such other matter as the commission may require, to the end that it  
15 may have complete information concerning the entire subject of revenue and taxation and all  
16 matters and things incidental thereto;

17 (3) To cause to be placed upon the assessment rolls at any time during the year omitted  
18 property which may be discovered to have, for any reason, escaped assessment and taxation, and  
19 to correct any errors that may be found on the assessment rolls and to cause the proper entry to  
20 be made thereon;

21 (4) To investigate the tax laws of other states and countries, to formulate and submit to  
22 the legislature such recommendations as the commission may deem expedient to prevent  
23 evasions of the assessment and taxing laws, whether the tax is specific or general, to secure just,  
24 equal and uniform taxes, and improve the system of assessment and taxation in this state;

25 (5) To prescribe the form of all blanks and books that are used in the assessment and  
26 collection of the general property tax, except as otherwise provided by law; [and]

27 (6) To develop, or enter into contracts with entities for the development of, computer  
28 software programs sufficient to produce the projected tax liability notices required under  
29 subsections 2 and 3 of section 137.180, subsection 2 of section 137.355, and subsection 2 of  
30 section 137.490. Upon receiving a request, before December 31, 2009, filed by a collector of  
31 any county or any city not within the county, the commission shall provide the collector with  
32 such computer software programs; and

33 **(7) To develop and provide documents to the assessors of the counties of this state**  
34 **and any assessors of any city not within a county, which shall be informational pamphlets**  
35 **to be provided by such assessors with the notices required under the provisions of**  
36 **subsections 2 and 3 of section 137.180, RSMo, subsection 2 of section 137.355, RSMo, and**  
37 **subsection 2 of section 137.490, RSMo, which shall provide taxpayers specific information**  
38 **regarding their right to appeal the determination of assessed value, the time limitations for**  
39 **such appeals, and relevant contact information to aid such taxpayers appealing**  
40 **assessments. Such documents shall be provided by the commission to the assessors of this**

41 **state at no charge and in an amount sufficient to guarantee that all registered taxpayers**  
42 **within the state are apprised of their appellate rights under Missouri property tax law.**

Section B. Section A of this act shall become effective only upon passage of a  
2 constitutional amendment limiting increases in assessed value of residential real property, due  
3 to reassessment, until a transfer of ownership occurs.

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