

SECOND REGULAR SESSION

HOUSE BILL NO. 1235

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HOSMER AND KREIDER (Co-sponsors).

Pre-filed December 13, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

2461L.011

AN ACT

To repeal sections 137.016 and 137.115, RSMo, and to enact in lieu thereof two new sections relating to real property classification and assessment.

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

Section A. Sections 137.016 and 137.115, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 137.016 and 137.115, to read as follows:

137.016. 1. As used in section 4(b) of article X of the Missouri Constitution, the
2 following terms mean:

3 (1) "Residential property", all real property improved by a structure which is used or
4 intended to be used for residential living by human occupants, vacant land in connection with
5 an airport, land used as a golf course, and manufactured home parks, but residential property
6 shall not include other similar facilities used primarily for transient housing. For the purposes
7 of this section, "transient housing" means all rooms available for rent or lease for which the
8 receipts from the rent or lease of such rooms are subject to state sales tax pursuant to section
9 144.020.1(6), RSMo;

10 (2) "Agricultural and horticultural property", all real property used for agricultural
11 purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding,
12 and management of livestock which shall include breeding and boarding of horses; to dairying,
13 or to any other combination thereof; and buildings and structures customarily associated with
14 farming, agricultural, and horticultural uses. Agricultural and horticultural property shall also
15 include land devoted to and qualifying for payments or other compensation under a soil
16 conservation or agricultural assistance program under an agreement with an agency of the federal

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

17 government. Agricultural and horticultural property shall further include land and
18 improvements, exclusive of structures, on privately owned airports that qualify as reliever
19 airports under the Nation Plan of Integrated Airports System, to receive federal airport
20 improvement project funds through the Federal Aviation Administration. Real property
21 classified as forest croplands shall not be agricultural or horticultural property so long as it is
22 classified as forest croplands and shall be taxed in accordance with the laws enacted to
23 implement section 7 of article X of the Missouri Constitution;

24 (3) "Utility, industrial, commercial, railroad, and other real property", all real property
25 used directly or indirectly, for any commercial, mining, industrial, manufacturing, trade,
26 professional, business, or similar purpose, including all property centrally assessed by the state
27 tax commission but shall not include floating docks, portions of which are separately owned and
28 the remainder of which is designated for common ownership and in which no one person or
29 business entity owns more than five individual units. All other real property not included in the
30 property listed in subclasses (1) and (2) of section 4(b) of article X of the Missouri Constitution,
31 as such property is defined in this section, shall be deemed to be included in the term "utility,
32 industrial, commercial, railroad, and other real property".

33 2. Pursuant to article X of the state constitution, any taxing district may adjust its
34 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
35 imposed pursuant to article X, section 6.2 of the constitution, as the result of changing the
36 classification of structures intended to be used for residential living by human occupants which
37 contain five or more dwelling units if such adjustment of the levy does not exceed the highest
38 tax rate in effect subsequent to the 1980 tax year. For purposes of this section, loss in revenue
39 shall include the difference between the revenue that would have been collected on such property
40 under its classification prior to enactment of this section and the amount to be collected under
41 its classification under this section. The county assessor of each county or city not within a
42 county shall provide information to each taxing district within its boundaries regarding the
43 difference in assessed valuation of such property as the result of such change in classification.

44 3. All reclassification of property as the result of changing the classification of structures
45 intended to be used for residential living by human occupants which contain five or more
46 dwelling units shall apply to assessments made after December 31, 1994.

47 4. Where real property is used or held for use for more than one purpose and such uses
48 result in different classifications, the county assessor shall allocate to each classification the
49 percentage of the true value in money of the property devoted to each use; except that, where
50 agricultural and horticultural property, as defined in this section, also contains a dwelling unit
51 or units, the farm dwelling, appurtenant residential-related structures, and up to [five acres] **one**
52 **acre** immediately surrounding such farm dwelling shall be residential property, as defined in this

53 section.

54 5. All real property which is vacant, unused, or held for future use; which is used for a
55 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service
56 organization, or similar entity; or for which a determination as to its classification cannot be
57 made under the definitions set out in subsection 1 of this section, shall be classified according
58 to its immediate most suitable economic use, which use shall be determined after consideration
59 of:

60 (1) Immediate prior use, if any, of such property;

61 (2) Location of such property;

62 (3) Zoning classification of such property; except that, such zoning classification shall
63 not be considered conclusive if, upon consideration of all factors, it is determined that such
64 zoning classification does not reflect the immediate most suitable economic use of the property;

65 (4) Other legal restrictions on the use of such property;

66 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
67 for such property;

68 (6) Size of such property;

69 (7) Access of such property to public thoroughfares; and

70 (8) Any other factors relevant to a determination of the immediate most suitable
71 economic use of such property.

72 6. All lands classified as forest croplands shall not, for taxation purposes, be classified
73 as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in
74 section 4(b) of article X of the Missouri Constitution and defined in this section, but shall be
75 taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri
76 Constitution.

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, the assessor shall annually assess
5 all personal property at thirty-three and one-third percent of its true value in money as of January
6 first of each calendar year. The assessor shall annually assess all real property, including any
7 new construction and improvements to real property, and possessory interests in real property
8 at the percent of its true value in money set in subsection 5 of this section. The assessor shall
9 annually assess all real property in the following manner: new assessed values shall be
10 determined as of January first of each odd-numbered year and shall be entered in the assessor's
11 books; those same assessed values shall apply in the following even-numbered year, except for
12 new construction and property improvements which shall be valued as though they had been

13 completed as of January first of the preceding odd-numbered year. The assessor may call at the
14 office, place of doing business, or residence of each person required by this chapter to list
15 property, and require the person to make a correct statement of all taxable real property in the
16 county owned by the person, or under his or her care, charge, or management, and all taxable
17 tangible personal property owned by the person or under his or her care, charge, or management,
18 taxable in the county. On or before January first of each even-numbered year, the assessor shall
19 prepare and submit a two-year assessment maintenance plan to the county governing body and
20 the state tax commission for their respective approval or modification. The county governing
21 body shall approve and forward such plan or its alternative to the plan to the state tax
22 commission by February first. If the county governing body fails to forward the plan or its
23 alternative to the plan to the state tax commission by February first, the assessor's plan shall be
24 considered approved by the county governing body. If the state tax commission fails to approve
25 a plan and if the state tax commission and the assessor and the governing body of the county
26 involved are unable to resolve the differences, in order to receive state cost-share funds outlined
27 in section 137.750, the county or the assessor shall petition the administrative hearing
28 commission, by May first, to decide all matters in dispute regarding the assessment maintenance
29 plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with
30 mediation or arbitration upon terms agreed to by the parties. The final decision of the
31 administrative hearing commission shall be subject to judicial review in the circuit court of the
32 county involved. [In the event] **At any hearing or appeal regarding** a valuation of subclass (1)
33 real property within any county [of the first classification with a charter form of government,]
34 or within a city not within a county, [is made by a computer, computer-assisted method or a
35 computer program,] the burden of proof, supported by clear, convincing, and cogent evidence
36 to sustain such valuation, shall be on the assessor [at any hearing or appeal. In any such county,
37 unless the assessor proves otherwise, there shall be a presumption that the assessment was made
38 by a computer, computer-assisted method or a computer program]. Such evidence shall include,
39 but shall not be limited to, the following:

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

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

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

45 (b) Such properties are not more than one mile from the site of the disputed property,
46 except where no similar properties exist within one mile of the disputed property, the nearest
47 comparable property shall be used. Such property shall be within five hundred square feet in size
48 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,

49 and other relevant characteristics.

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

52 3. The following items of personal property shall each constitute separate subclasses of
53 tangible personal property and shall be assessed and valued for the purposes of taxation at the
54 following [percents] **percentages** of their true value in money:

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

57 (2) Livestock, twelve percent;

58 (3) Farm machinery, twelve percent;

59 (4) Motor vehicles which are eligible for registration as and are registered as historic
60 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five
61 years old and which are used solely for noncommercial purposes and are operated less than fifty
62 hours per year or aircraft that are home built from a kit, five percent;

63 (5) Poultry, twelve percent; and

64 (6) Tools and equipment used for pollution control and tools and equipment used in
65 retooling for the purpose of introducing new product lines or used for making improvements to
66 existing products by any company which is located in a state enterprise zone and which is
67 identified by any standard industrial classification number cited in subdivision (6) of section
68 135.200, RSMo, twenty-five percent.

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

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

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

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

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

79 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used
80 as dwelling units shall be assessed at the same percentage of true value as residential real
81 property for the purpose of taxation. The percentage of assessment of true value for such
82 manufactured homes shall be the same as for residential real property. If the county collector
83 cannot identify or find the manufactured home when attempting to attach the manufactured home
84 for payment of taxes owed by the manufactured home owner, the county collector may request

85 the county commission to have the manufactured home removed from the tax books, and such
86 request shall be granted within thirty days after the request is made; however, the removal from
87 the tax books does not remove the tax lien on the manufactured home if it is later identified or
88 found. A manufactured home located in a manufactured home rental park, rental community,
89 or on real estate not owned by the manufactured home owner shall be considered personal
90 property. A manufactured home located on real estate owned by the manufactured home owner
91 may be considered real property.

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

96 8. Any amount of tax due and owing based on the assessment of a manufactured home
97 shall be included on the personal property tax statement of the manufactured home owner unless
98 the manufactured home has been converted to real property in compliance with section 700.111,
99 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured
100 home as a realty improvement to the existing real estate parcel shall be included on the real
101 property tax statement of the real estate owner.

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

109 10. If the assessor increases the assessed valuation of any parcel of subclass (1) real
110 property by more than seventeen percent since the last assessment, excluding increases due to
111 new construction or improvements, then the assessor shall conduct a physical inspection of such
112 property.