FIRST REGULAR SESSION

HOUSE BILL NO. 461

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SUTHERLAND (Sponsor) AND SMITH (118) (Co-sponsor).

Read 1st time February 3, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

0735L.02I

AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to assessment of business personal property.

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

Section A. Chapter 137, RSMo, is amended by adding thereto one new section, to be known as section 137.079, to read as follows:

137.079. 1. For purposes of this section, the following terms mean:

(1) "Business personal property", tangible personal property which is used in a trade or business or used for the production of income and which has a determinable life longer than one year, but shall not include livestock, farm machinery, property subject to the motor vehicle registration provisions of chapter 301, RSMo, or property assessed by the commission under chapter 151, 153, or 155, RSMo, section 137.022, or sections 137.1000 to 137.1030;

(2) "Commission", the state tax commission.

2. Beginning January 1, 2006, all assessors shall use a method of valuation for business personal property as established by rule of the commission in accordance with the provisions of this section. As authorized by section 4(b), article X, Constitution of Missouri, business personal property shall be considered a separate subclass of class 2 property and valued for purposes of taxation at thirty-three and one-third of its true value in money. True value in money of business personal property shall be determined by the cost approach to value, and the value so determined by rule of the commission shall be presumed to be correct.

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.

3. The method of valuation established by the state tax commission shall be promulgated as rules under the provisions of chapter 536, RSMo, to be effective no later than December 31, 2005. Such rules shall not be promulgated as an emergency rule under section 536.025, RSMo. The state tax commission shall provide a copy of any rule promulgated under the authority of this section to the joint committee on tax policy concurrently with all filings with the joint committee on administrative rules. Upon receipt of a proposed rule to adopt, revise, or rescind the method of valuation of business personal property, the joint committee on tax policy shall review such rule and may elect to provide comments to the joint committee on administrative rules during its review of the rules under chapter 536, RSMo.

4. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2005, shall be invalid and void.

5. The method of valuation established by rule by the state tax commission shall be used by assessors beginning the tax year 2006.