

SECOND REGULAR SESSION

HOUSE BILL NO. 2072

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES GUEST (Sponsor) AND JOHNSON (47) (Co-sponsor).

Read 1st time March 29, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

5684L.011

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to property taxation.

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

Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows:

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

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

(2) "Agricultural and horticultural property", all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and management of livestock which shall include breeding and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses, **including any structures which capture wind energy for the generation of electricity and which are otherwise located on agricultural and**

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.

16 **horticultural property.** Agricultural and horticultural property shall also include land devoted
17 to and qualifying for payments or other compensation under a soil conservation or agricultural
18 assistance program under an agreement with an agency of the federal government. Agricultural
19 and horticultural property shall further include land and improvements, exclusive of structures,
20 on privately owned airports that qualify as reliever airports under the Nation Plan of Integrated
21 Airports System, to receive federal airport improvement project funds through the Federal
22 Aviation Administration. Real property classified as forest croplands shall not be agricultural
23 or horticultural property so long as it is classified as forest croplands and shall be taxed in
24 accordance with the laws enacted to implement section 7 of article X of the Missouri
25 Constitution;

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

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

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

49 4. Where real property is used or held for use for more than one purpose and such uses
50 result in different classifications, the county assessor shall allocate to each classification the
51 percentage of the true value in money of the property devoted to each use; except that, where

52 agricultural and horticultural property, as defined in this section, also contains a dwelling unit
53 or units, the farm dwelling, appurtenant residential-related structures and up to five acres
54 immediately surrounding such farm dwelling shall be residential property, as defined in this
55 section.

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

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

63 (2) Location of such property;

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

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

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

70 (6) Size of such property;

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

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

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

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