

SECOND REGULAR SESSION

HOUSE BILL NO. 1350

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES RUESTMAN (Sponsor), JONES (89), FAITH, SATER, NIEVES,
KOENIG, MCGHEE, EMERY AND GATSCHENBERGER (Co-sponsors).

3331L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 137.115 and 137.180, RSMo, and to enact in lieu thereof two new sections relating to residential property assessments.

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

Section A. Sections 137.115 and 137.180, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 137.115 and 137.180, to read as follows:

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. **Except as provided in subsection 17 of this**
7 **section**, 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 of its true
9 value in money set in subsection 5 of this section. The true value in money of any possessory
10 interest in real property in subclass (3), where such real property is on or lies within the ultimate
11 airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a
12 commercial airport having a FAR Part 139 certification and owned by a political subdivision,
13 shall be the otherwise applicable true value in money of any such possessory interest in real
14 property, less the total dollar amount of costs paid by a party, other than the political subdivision,
15 towards any new construction or improvements on such real property completed after January
16 1, 2008, and which are included in the above-mentioned possessory interest, regardless of 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.

17 year in which such costs were incurred or whether such costs were considered in any prior year.
18 The assessor shall annually assess all real property in the following manner: new assessed values
19 shall be determined as of January first of each odd-numbered year and shall be entered in the
20 assessor's books; those same assessed values shall apply in the following even-numbered year,
21 except for new construction and property improvements which shall be valued as though they
22 had been completed as of January first of the preceding odd-numbered year. The assessor may
23 call at the office, place of doing business, or residence of each person required by this chapter
24 to list property, and require the person to make a correct statement of all taxable tangible
25 personal property owned by the person or under his or her care, charge or management, taxable
26 in the county. On or before January first of each even-numbered year, the assessor shall prepare
27 and submit a two-year assessment maintenance plan to the county governing body and the state
28 tax commission for their respective approval or modification. The county governing body shall
29 approve and forward such plan or its alternative to the plan to the state tax commission by
30 February first. If the county governing body fails to forward the plan or its alternative to the plan
31 to the state tax commission by February first, the assessor's plan shall be considered approved
32 by the county governing body. If the state tax commission fails to approve a plan and if the state
33 tax commission and the assessor and the governing body of the county involved are unable to
34 resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the
35 county or the assessor shall petition the administrative hearing commission, by May first, to
36 decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the
37 parties, the matter may be stayed while the parties proceed with mediation or arbitration upon
38 terms agreed to by the parties. The final decision of the administrative hearing commission shall
39 be subject to judicial review in the circuit court of the county involved. In the event a valuation
40 of subclass (1) real property within any county with a charter form of government, or within a
41 city not within a county, is made by a computer, computer-assisted method or a computer
42 program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such
43 valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the
44 assessor proves otherwise, there shall be a presumption that the assessment was made by a
45 computer, computer-assisted method or a computer program. Such evidence shall include, but
46 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 (1)
117 real property by more than fifteen percent since the last assessment, excluding increases due to
118 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. A physical inspection, as required by subsection 10 of this section, shall include, but
127 not be limited to, an on-site personal observation and review of all exterior portions of the land
128 and any buildings and improvements to which the inspector has or may reasonably and lawfully
129 gain external access, and shall include an observation and review of the interior of any buildings
130 or improvements on the property upon the timely request of the owner pursuant to subsection 11
131 of this section. Mere observation of the property via a drive-by inspection or the like shall not
132 be considered sufficient to constitute a physical inspection as required by this section.

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

135 14. A county or city collector may accept credit cards as proper form of payment of
136 outstanding property tax or license due. No county or city collector may charge surcharge for
137 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
138 processor, or issuer for its service. A county or city collector may accept payment by electronic
139 transfers of funds in payment of any tax or license and charge the person making such payment
140 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic
141 payment.

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

160 house bill no. 1150 of the ninety-first general assembly, second regular session, and section
161 137.073 as modified by house committee substitute for senate substitute for senate committee
162 substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the
163 next year of general reassessment, by an affirmative vote of the governing body prior to
164 December thirty-first of any year.

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

172 **17. (1) For all assessments occurring on or after January 1, 2011, the true value in**
173 **money of any residential real property that is used as a property owner's principal**
174 **residence shall be one of the following, as chosen by the real property owner:**

175 **(a) The true value in money as determined by the assessor under this chapter;**

176 **(b) The purchase price of the real property, if the property was purchased within**
177 **the five years immediately preceding the assessment;**

178 **(c) The appraised value of the property as determined by a certified or licensed real**
179 **estate appraiser, as provided under sections 339.500 to 339.549, that is hired by such**
180 **property owner.**

181 **(2) After the true value in money of such real property is determined under this**
182 **subsection, the percentage of increase in the assessed valuation of such real property in any**
183 **subsequent assessment shall not exceed the lesser of two percent or the percentage of**
184 **increase over the previous year in the Consumer Price Index for All Urban Consumers as**
185 **prepared by the United States Bureau of Labor Statistics, or its successor index.**

186 **(3) Upon the sale, transfer, or conveyance of such real property, the true value in**
187 **money of such property shall be the purchase price.**

188 **(4) No certified or licensed real estate appraiser hired as provided in this subsection**
189 **shall charge any fee for such appraisal other than such customary fees that are charged for**
190 **appraisals.**

191 **(5) Any owner of real property used as the owner's principal residence who is sixty**
192 **years of age or older and who sells such principal residence on or after January 1, 2011,**
193 **may choose to apply the assessed valuation of the principal residence sold to the next**
194 **principal residence purchased, or may choose to accept the assessor's assessed valuation**
195 **on such next principal residence purchased as determined under this chapter. This**

196 **subdivision shall apply only to the first purchase of such principal residence after January**
197 **1, 2011, and shall not apply to any subsequent assessment of such principal residence.**

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.

15 3. Effective January 1, 2011, for all counties not subject to the provisions of subsection
16 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the
17 valuation of any real property, he or she shall forthwith notify the record owner on or before June
18 fifteenth of such increase and, in a year of general reassessment, the county shall notify the
19 record owner of the projected tax liability likely to result from such an increase, either in person,
20 or by mail directed to the last known address; every such increase in assessed valuation made by
21 the assessor shall be subject to review by the county board of equalization whereat the landowner
22 shall be entitled to be heard, and the notice to the landowner shall so state. Notice of the
23 projected tax liability from the county shall accompany the notice of increased valuation from
24 the assessor.

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

27 (1) **The** record owner's name, address, and the parcel number of the property;

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

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

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

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

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

38 (7) A statement identifying any projected tax rates for political subdivisions levying a
39 tax upon the property of the record owner, which were not calculated and provided by the
40 political subdivision levying the tax; [and]

41 (8) The total projected property tax liability of the taxpayer;

42 (9) **An explanation of the process for appealing the assessed valuation, including**
43 **a notice that the taxpayer may appeal without an attorney.**

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