

SECOND REGULAR SESSION

HOUSE BILL NO. 1647

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES COOPER (Sponsor) AND JONES (89) (Co-sponsor).

3680L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 137.016 and 137.080, RSMo, and to enact in lieu thereof two new sections relating to property taxation.

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

Section A. Sections 137.016 and 137.080, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 137.016 and 137.080, to read as follows: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) "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, showing, and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. Agricultural and horticultural property shall also include land devoted to and qualifying for payments or other compensation under a soil conservation or agricultural assistance program under an agreement with an agency of the federal government. Agricultural and horticultural property shall further include land and improvements, exclusive of structures, on privately owned airports that qualify as reliever airports under the Nation Plan of Integrated Airports System, to receive federal airport improvement project funds through the Federal Aviation Administration. Real property classified as forest croplands shall not be agricultural or horticultural property so long as it is classified as forest croplands and shall be taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri Constitution;

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 (2) "Residential property", all real property improved by a structure which is used or
18 intended to be used for residential living by human occupants, vacant land in connection with
19 an airport, land used as a golf course, **any watercraft as defined in section 137.080**, and
20 manufactured home parks, but residential property shall not include other similar facilities used
21 primarily for transient housing. For the purposes of this section, "transient housing" means all
22 rooms available for rent or lease for which the receipts from the rent or lease of such rooms are
23 subject to state sales tax pursuant to subdivision (6) of subsection 1 of section 144.020, RSMo;

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, subsection 2 of section 6 of the constitution, as the result of
36 changing the classification of structures intended to be used for residential living by human
37 occupants which contain five or more dwelling units if such adjustment of the levy does not
38 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
39 section, loss in revenue shall include the difference between the revenue that would have been
40 collected on such property under its classification prior to enactment of this section and the
41 amount to be collected under its classification under this section. The county assessor of each
42 county or city not within a county shall provide information to each taxing district within its
43 boundaries regarding the difference in assessed valuation of such property as the result of such
44 change in classification.

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

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

53 immediately surrounding such farm dwelling shall be residential property, as defined in this
54 section.

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

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

62 (2) Location of such property;

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

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

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

69 (6) Size of such property;

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

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

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

 137.080. 1. Real estate and tangible personal property shall be assessed annually at the
2 assessment which commences on the first day of January. For purposes of assessing and taxing
3 tangible personal property, all tangible personal property shall be divided into the following
4 subclasses:

5 (1) Grain and other agricultural crops in an unmanufactured condition;

6 (2) Livestock;

7 (3) Farm machinery;

8 (4) Vehicles, including recreational vehicles, but not including manufactured homes, as
9 defined in section 700.010, RSMo, which are actually used as dwelling units, **and not including**
10 **watercraft as defined in this section;**

11 (5) Manufactured homes, as defined in section 700.010, RSMo, which are actually used
12 as dwelling units;

13 (6) Motor vehicles which are eligible for registration and are registered as historic motor
14 vehicles under section 301.131, RSMo;

15 (7) All taxable tangible personal property not included in subclass (1), subclass (2),
16 subclass (3), subclass (4), subclass (5), or subclass (6).

17 **2. As used in this section, "watercraft" means any vessel or watercraft, as such**
18 **terms are defined in section 306.010, that has bath and toilet facilities, a sleeping area, and**
19 **kitchen facilities, that is eligible for the home mortgage interest deduction on the taxpayer's**
20 **federal income tax return, that is registered under chapter 306, and that is used as the**
21 **taxpayer's principal place of residence or as a temporary residence for the taxpayer.**

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