

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 66

101ST GENERAL ASSEMBLY

0903H.02P

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to aircraft taxation.

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

Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all

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.

18 real property in the following manner: new assessed values shall be determined as of January  
19 first of each odd-numbered year and shall be entered in the assessor's books; those same assessed  
20 values shall apply in the following even-numbered year, except for new construction and  
21 property improvements which shall be valued as though they had been completed as of January  
22 first of the preceding odd-numbered year. The assessor may call at the office, place of doing  
23 business, or residence of each person required by this chapter to list property, and require the  
24 person to make a correct statement of all taxable tangible personal property owned by the person  
25 or under his or her care, charge or management, taxable in the county. On or before January first  
26 of each even-numbered year, the assessor shall prepare and submit a two-year assessment  
27 maintenance plan to the county governing body and the state tax commission for their respective  
28 approval or modification. The county governing body shall approve and forward such plan or  
29 its alternative to the plan to the state tax commission by February first. If the county governing  
30 body fails to forward the plan or its alternative to the plan to the state tax commission by  
31 February first, the assessor's plan shall be considered approved by the county governing body.  
32 If the state tax commission fails to approve a plan and if the state tax commission and the  
33 assessor and the governing body of the county involved are unable to resolve the differences, in  
34 order to receive state cost-share funds outlined in section 137.750, the county or the assessor  
35 shall petition the administrative hearing commission, by May first, to decide all matters in  
36 dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter  
37 may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by  
38 the parties. The final decision of the administrative hearing commission shall be subject to  
39 judicial review in the circuit court of the county involved. In the event a valuation of subclass  
40 (1) real property within any county with a charter form of government, or within a city not within  
41 a county, is made by a computer, computer-assisted method or a computer program, the burden  
42 of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be  
43 on the assessor at any hearing or appeal. In any such county, unless the assessor proves  
44 otherwise, there shall be a presumption that the assessment was made by a computer,  
45 computer-assisted method or a computer program. Such evidence shall include, but shall not be  
46 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]~~ **under** section 301.131 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 **two hundred** 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 (7) of section  
75 135.200, 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. (1) All subclasses of real property, as such subclasses are established in Section 4(b)  
81 of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the  
82 following percentages of true value:

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

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

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

86 (2) A taxpayer may apply to the county assessor, or, if not located within a county, then  
87 the assessor of such city, for the reclassification of such taxpayer's real property if the use or  
88 purpose of such real property is changed after such property is assessed under the provisions of  
89 this chapter. If the assessor determines that such property shall be reclassified, he or she shall

90 determine the assessment under this subsection based on the percentage of the tax year that such  
91 property was classified in each subclassification.

92         6. Manufactured homes, as defined in section 700.010, which are actually used as  
93 dwelling units shall be assessed at the same percentage of true value as residential real property  
94 for the purpose of taxation. The percentage of assessment of true value for such manufactured  
95 homes shall be the same as for residential real property. If the county collector cannot identify  
96 or find the manufactured home when attempting to attach the manufactured home for payment  
97 of taxes owed by the manufactured home owner, the county collector may request the county  
98 commission to have the manufactured home removed from the tax books, and such request shall  
99 be granted within thirty days after the request is made; however, the removal from the tax books  
100 does not remove the tax lien on the manufactured home if it is later identified or found. For  
101 purposes of this section, a manufactured home located in a manufactured home rental park, rental  
102 community or on real estate not owned by the manufactured home owner shall be considered  
103 personal property. For purposes of this section, a manufactured home located on real estate  
104 owned by the manufactured home owner may be considered real property.

105         7. Each manufactured home assessed shall be considered a parcel for the purpose of  
106 reimbursement ~~[pursuant to]~~ **under** section 137.750, unless the manufactured home is **deemed**  
107 **to be** real estate ~~[as defined in]~~ **under** subsection 7 of section 442.015 and assessed as a realty  
108 improvement to the existing real estate parcel.

109         8. Any amount of tax due and owing based on the assessment of a manufactured home  
110 shall be included on the personal property tax statement of the manufactured home owner unless  
111 the manufactured home is **deemed to be** real estate ~~[as defined in]~~ **under** subsection 7 of section  
112 442.015, in which case the amount of tax due and owing on the assessment of the manufactured  
113 home as a realty improvement to the existing real estate parcel shall be included on the real  
114 property tax statement of the real estate owner.

115         9. The assessor of each county and each city not within a county shall use the trade-in  
116 value published in the October issue of the National Automobile Dealers' Association Official  
117 Used Car Guide, or its successor publication, as the recommended guide of information for  
118 determining the true value of motor vehicles described in such publication. The assessor shall  
119 not use a value that is greater than the average trade-in value in determining the true value of the  
120 motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two  
121 years old or newer from a vehicle's model year, the assessor may use a value other than average  
122 without performing a physical inspection of the motor vehicle. In the absence of a listing for a  
123 particular motor vehicle in such publication, the assessor shall use such information or  
124 publications which in the assessor's judgment will fairly estimate the true value in money of the  
125 motor vehicle.

126           10. Before the assessor may increase the assessed valuation of any parcel of subclass (1)  
127 real property by more than fifteen percent since the last assessment, excluding increases due to  
128 new construction or improvements, the assessor shall conduct a physical inspection of such  
129 property.

130           11. If a physical inspection is required, ~~[pursuant to]~~ **under** subsection 10 of this section,  
131 the assessor shall notify the property owner of that fact in writing and shall provide the owner  
132 clear written notice of the owner's rights relating to the physical inspection. If a physical  
133 inspection is required, the property owner may request that an interior inspection be performed  
134 during the physical inspection. The owner shall have no less than thirty days to notify the  
135 assessor of a request for an interior physical inspection.

136           12. A physical inspection, as required by subsection 10 of this section, shall include, but  
137 not be limited to, an on-site personal observation and review of all exterior portions of the land  
138 and any buildings and improvements to which the inspector has or may reasonably and lawfully  
139 gain external access, and shall include an observation and review of the interior of any buildings  
140 or improvements on the property upon the timely request of the owner ~~[pursuant to]~~ **under**  
141 subsection 11 of this section. Mere observation of the property via a drive-by inspection or the  
142 like shall not be considered sufficient to constitute a physical inspection as required by this  
143 section.

144           13. A county or city collector may accept credit cards as proper form of payment of  
145 outstanding property tax or license due. No county or city collector may charge surcharge for  
146 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
147 processor, or issuer for its service. A county or city collector may accept payment by electronic  
148 transfers of funds in payment of any tax or license and charge the person making such payment  
149 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic  
150 payment.

151           14. Any county or city not within a county in this state may, by an affirmative vote of  
152 the governing body of such county, opt out of the provisions of this section and sections 137.073,  
153 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,  
154 second regular session and section 137.073 as modified by house committee substitute for senate  
155 substitute for senate committee substitute for senate bill no. 960, ninety-second general  
156 assembly, second regular session, for the next year of the general reassessment, prior to January  
157 first of any year. No county or city not within a county shall exercise this opt-out provision after  
158 implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as  
159 enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and  
160 section 137.073 as modified by house committee substitute for senate substitute for senate  
161 committee substitute for senate bill no. 960, ninety-second general assembly, second regular

162 session, in a year of general reassessment. For the purposes of applying the provisions of this  
163 subsection, a political subdivision contained within two or more counties where at least one of  
164 such counties has opted out and at least one of such counties has not opted out shall calculate a  
165 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general  
166 assembly, second regular session. A governing body of a city not within a county or a county  
167 that has opted out under the provisions of this subsection may choose to implement the  
168 provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill  
169 no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as  
170 modified by house committee substitute for senate substitute for senate committee substitute for  
171 senate bill no. 960, ninety-second general assembly, second regular session, for the next year of  
172 general reassessment, by an affirmative vote of the governing body prior to December thirty-first  
173 of any year.

174         15. The governing body of any city of the third classification with more than twenty-six  
175 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located  
176 in any county that has exercised its authority to opt out under subsection 14 of this section may  
177 levy separate and differing tax rates for real and personal property only if such city bills and  
178 collects its own property taxes or satisfies the entire cost of the billing and collection of such  
179 separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax  
180 rate ceiling.

181         16. Any portion of real property that is available as reserve for strip, surface, or coal  
182 mining for minerals for purposes of excavation for future use or sale to others that has not been  
183 bonded and permitted under chapter 444 shall be assessed based upon how the real property is  
184 currently being used. Any information provided to a county assessor, state tax commission, state  
185 agency, or political subdivision responsible for the administration of tax policies shall, in the  
186 performance of its duties, make available all books, records, and information requested, except  
187 such books, records, and information as are by law declared confidential in nature, including  
188 individually identifiable information regarding a specific taxpayer or taxpayer's mine property.  
189 For purposes of this subsection, "mine property" shall mean all real property that is in use or  
190 readily available as a reserve for strip, surface, or coal mining for minerals for purposes of  
191 excavation for current or future use or sale to others that has been bonded and permitted under  
192 chapter 444.

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