

FIRST REGULAR SESSION

HOUSE BILL NO. 1086

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BROWN (16).

2211H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to classification of certain residential real property.

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Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows: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, manufactured home parks, bed and breakfast inns in which the owner resides and uses as a primary residence with six or fewer rooms for rent, and time-share units as defined in section 407.600, except to the extent such units are actually rented and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential property shall not include other similar facilities used primarily for transient housing. **A single family home leased for a term of less than thirty consecutive days, in whole or in part, subject to sales tax under subdivision (6) of subsection 1 of section 144.020 shall be classified only as residential property.** 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 subdivision (6) of subsection 1 of section 144.020; **the leasing of a single family home, in whole or in part, for a term of less than thirty consecutive days does not, in itself, constitute "transient housing";**

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 (2) "Agricultural and horticultural property", all real property used for agricultural
19 purposes and devoted primarily to the raising and harvesting of crops; to the feeding,
20 breeding and management of livestock which shall include breeding, showing, and boarding
21 of horses; to dairying, or to any other combination thereof; and buildings and structures
22 customarily associated with farming, agricultural, and horticultural uses. Agricultural and
23 horticultural property shall also include land devoted to and qualifying for payments or other
24 compensation under a soil conservation or agricultural assistance program under an
25 agreement with an agency of the federal government. Agricultural and horticultural property
26 shall further include any reliever airport. Real property classified as forest croplands shall not
27 be agricultural or horticultural property so long as it is classified as forest croplands and shall
28 be taxed in accordance with the laws enacted to implement Section 7 of Article X of the
29 Missouri Constitution. Agricultural and horticultural property shall also include any sawmill
30 or planing mill defined in the U.S. Department of Labor's Standard Industrial Classification
31 (SIC) Manual under Industry Group 242 with the SIC number 2421. Agricultural and
32 horticultural property shall also include urban and community gardens. For the purposes of
33 this section, "urban and community gardens" shall include real property cultivated by
34 residents of a neighborhood or community for the purposes of providing agricultural
35 products, as defined in section 262.900, for the use of residents of the neighborhood or
36 community, and shall not include a garden intended for individual or personal use;

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

46 2. Pursuant to Article X of the state Constitution, any taxing district may adjust its
47 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
48 imposed pursuant to Article X, Subsection 2 of Section 6 of the Constitution, as the result of
49 changing the classification of structures intended to be used for residential living by human
50 occupants which contain five or more dwelling units if such adjustment of the levy does not
51 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
52 section, loss in revenue shall include the difference between the revenue that would have been
53 collected on such property under its classification prior to enactment of this section and the
54 amount to be collected under its classification under this section. The county assessor of each

55 county or city not within a county shall provide information to each taxing district within its
56 boundaries regarding the difference in assessed valuation of such property as the result of
57 such change in classification.

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

61 4. Where real property is used or held for use for more than one purpose and such
62 uses result in different classifications, the county assessor shall allocate to each classification
63 the percentage of the true value in money of the property devoted to each use; except that,
64 where agricultural and horticultural property, as defined in this section, also contains a
65 dwelling unit or units, the farm dwelling, appurtenant residential-related structures and up to
66 five acres immediately surrounding such farm dwelling shall be residential property, as
67 defined in this section, provided that the portion of property used or held for use as an urban
68 and community garden shall not be residential property. This subsection shall not apply to
69 any reliever airport.

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

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

77 (2) Location of such property;

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

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

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

85 (6) Size of such property;

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

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

89 6. All lands classified as forest croplands shall not, for taxation purposes, be
90 classified as subclass (1), subclass (2), or subclass (3) real property, as such classes are
91 prescribed in Section 4(b) of Article X of the Missouri Constitution and defined in this

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92 section, but shall be taxed in accordance with the laws enacted to implement Section 7 of
93 Article X of the Missouri Constitution.

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