

HB 2178 -- Redline

Committee Substitute to Perfected -- Modifies provisions governing the taxation of property

Deletions ~~struck~~ · Insertions underlined

SECOND REGULAR SESSION [PERFECTED WITH PERFECTING AMENDMENT] HOUSE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO.

2178 103RD GENERAL ASSEMBLY ~~5348H.02C~~5348H.02D JOSEPH ENGLER, Chief Clerk AN ACT To repeal sections 137.016, 137.115, 137.180, 137.355, 138.010, 138.060, 138.135, 138.390, 138.430, 138.434, and ~~138.430~~,139.031, RSMo, and to enact in lieu thereof ~~five~~thirteen new sections relating to taxation of property.

Sections 137.016, 137.115, 137.180, 137.355, 138.010, 138.060, 138.135, 138.390, 138.430, 138.434, and ~~138.430~~,139.031, RSMo, are repealed and ~~five~~thirteen new sections enacted in lieu thereof, to be known as sections 115.240, 115.706, 137.016, 137.115, 137.180, 137.355, 138.010, 138.060, 138.135, 138.390, 138.430, 138.434, and ~~138.430~~,139.031, to read as follows:

115.240.

The election authority for any political subdivision or special district shall label ballot measures relating to property taxation that are submitted by such political subdivision or special district to a vote of the people numerically or alphabetically only.

No such ballot measure shall be labeled in a descriptive manner aside from its numerical or alphabetical designation.

115.706.

1.

Notwithstanding any other provision of law to the contrary, no ballot measure proposing the imposition, increase, or extension of an ad valorem property tax by a political subdivision shall be deemed approved unless a majority of the votes cast on the question are in favor.

2.

Notwithstanding any other provision of law to the contrary, beginning on January 1, 2027, the ballot language for a question submitted to voters by a political subdivision desiring to levy a real property tax or personal property tax shall include at least the following elements, as applicable:

(1) The name of the political subdivision imposing the property tax;

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.

HCS HB 2178 2 (2) The real property or personal property on which the property tax will be imposed;

(3) The current tax rate ceiling, the proposed tax rate ceiling, and, if the political subdivision is seeking authorization to increase an existing tax, the difference between the proposed new tax rate ceiling and the current tax rate ceiling, expressed in percentage changed and the number of cents per one hundred dollars of assessed valuation.

The percentage change shall be calculated by subtracting the current tax rate ceiling from the proposed tax rate ceiling, dividing the result by the current tax rate ceiling, and multiplying the quotient by one hundred;

(4) The length of time for which the tax will be imposed or the expiration date of the tax;

(5) The purpose for which the tax will be imposed;

(6) A description of additional actions a political subdivision affected by the ballot issue will be required to take;

(7) If the political subdivision is seeking authorization to issue bonds, notes, or other obligations:

(a) An indication that bonds, notes, or other obligations will be issued if the proposal is approved;

(b) The kind of bonds, notes, or other obligations that will be issued including, but not limited to, general obligation bonds or revenue bonds;

and (c) The total amount of such bonds, notes, or other obligations;

(8) A disclosure that an increase to a tax rate ceiling could result in a tax rate increase;

(9) A statement indicating the real property or personal property that will be affected by such tax or tax rate ceiling increase, containing wording substantially similar to the following, as applicable:

"If approved, this proposition could increase the property taxes of:

A residential property _____ (insert levy amount multiplied by 100,000 multiplied by 0.0019) per \$100,000 of appraised valuation;

A commercial property _____ (insert levy amount multiplied by 100,000 multiplied by 0.0032) per \$100,000 of appraised valuation;

HCS HB 2178 3 An agricultural property _____ (insert levy amount multiplied by 100,000 multiplied by 0.0012) per \$100,000 of appraised valuation;

A motor vehicle _____ (insert levy amount multiplied by 10,000 multiplied by 0.00333) per \$10,000 of appraised valuation." 3.

Notwithstanding any other provision of law to the contrary, no political subdivision or election authority shall advertise or describe any proposed tax on property in a political subdivision as not increasing taxes, or any language to that effect, unless both:

(1) Failing to adopt the proposed measure would cause an actual increase in the tax rate;
and (2) Adopting the proposed measure would cause the tax rate to stay the same or decrease.

4.

The ballot language statements shall fairly and accurately explain what a vote for and what a vote against the measure represent.

The ballot language shall be true and impartial statements of the effect of a vote for and against the measure in language neither intentionally argumentative nor likely to create prejudice for or against the proposed measure.

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 owned by a sole proprietor, individual, partnership, or limited liability company that is 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, HCS HB 2178 4 for a term of less than thirty consecutive days does not in itself constitute "transient housing";

(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, 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 any reliever airport.

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.

Agricultural and horticultural property shall also include any sawmill or planing mill defined in the U.S.

Department of Labor's Standard Industrial Classification (SIC) Manual under Industry Group 242 with the SIC number 2421.

Agricultural and horticultural property shall also include urban and community gardens.

For the purposes of this section, "urban and community gardens" shall include real property cultivated by residents of a neighborhood or community for the purposes of providing agricultural products, as defined in section 262.900, for the use of residents of the neighborhood or community, and shall not include a garden intended for individual or personal use;

(3) "Utility, industrial, commercial, railroad and other real property", all real property used directly or indirectly for any commercial, mining, industrial, manufacturing, trade, professional, business, or similar purpose, including all property centrally assessed by the state tax commission but shall not include floating docks, portions of which are separately owned and the remainder of which is designated

for common ownership and in which no one person or business entity owns more than five individual units. All other real property not included in the property listed in subclasses (1) and (2) of Section 4(b) of Article X of the Missouri Constitution, as such property is defined in this section, shall be deemed to be included in the term "utility, industrial, commercial, railroad and other real property".

2.

Pursuant to Article X of the state Constitution, any taxing district may adjust its operating levy to recoup any loss of property tax revenue, except revenues from the surtax imposed pursuant to Article X, Subsection 2 of Section 6 of the Constitution, as the result of changing the classification of structures intended to be used for residential living by human occupants which contain five or more dwelling units if such adjustment of the levy does not exceed the highest tax rate in effect subsequent to the 1980 tax year.

For purposes of this section, loss in revenue shall include the difference between the revenue that would have been HCS HB 2178 5 collected on such property under its classification prior to enactment of this section and the amount to be collected under its classification under this section.

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

3.

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

4.

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

except that, where agricultural and horticultural property, as defined in this section, also contains a dwelling unit or units, the farm dwelling, appurtenant residential-related structures and up to five acres immediately surrounding such farm dwelling shall be residential property, as defined in this section, provided that the portion of property used or held for use as an urban and community garden shall not be residential property.

This subsection shall not apply to any reliever airport.

5.

All real property which is vacant, unused, or held for future use;

which is used for a private club, a not-for-profit or other nonexempt lodge, club, business, trade, service organization, or similar entity;

or for which a determination as to its classification cannot be made under the definitions set out in subsection 1 of this section, shall be classified according to its immediate most suitable economic use, which use shall be determined after consideration of:

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

(2) Location of such property;

(3) Zoning classification of such property;

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

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

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

(6) Size of such property;

(7) Access of such property to public thoroughfares;

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

HCS HB 2178 6 6.

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

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- ~~EXPLANATION mentioned --possessory Matter interest, enclosed regardless in of bold-faced the brackets year [thus] in the which above such bill costs is were not incurred enacted or and whether is such intended costs to were be considered omitted in from any the prior law year.~~

~~Matter in bold-face type in the above bill is proposed language.~~

~~HCS HB 2178 2 mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year.~~

If the county governing body fails to forward the plan or its HCS HB 2178 7 alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body.

and ~~HCS HB 2178 3~~ [(2)] (b) The purchase prices from sales of at least three comparable properties and the address or location thereof.

~~[(a)] [(a)] a. a.~~

HCS HB 2178 8 (3) Farm machinery, twelve percent;

~~HCS HB 2178 4~~ 5.

If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may HCS HB 2178 9 request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made;

~~HCS HB 2178 5~~ 9.

HCS HB 2178 10 10.

For any general reassessment of property causing the assessed valuation to increase more than fifteen percent from the previous assessment, except for increase due to new construction or improvement, such increase shall be evenly divided between each of the next successive reassessment cycles in a manner that does not cause an increase of more than fifteen percent for any two-year reassessment period.

For the purposes of implementing this subsection, the county assessor and collector shall apply a credit to a taxpayer's property tax bill in an amount that causes the taxpayer's real property tax liability to increase by no more than fifteen percent for any two-year reassessment period.

The owner shall have no less than thirty days prior to the physical inspection to notify the assessor of a request for an interior physical inspection.

A physical ~~inspection, inspection~~, ~~as as~~ required by subsection 10 of this ~~section, section~~, shall be completed prior to July first of the reassessment year and shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section.

~~HCS HB 2178 6~~ 13.

1150 of the ninety-first general HCS HB 2178 11 assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no.

The governing body of any city of the third classification with more than twenty- six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 14 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and ~~HCS HB 2178 7~~ collection of such separate and differing tax rates.

For purposes of this subsection, "mine property" shall HCS HB 2178 12 mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

137.180.

1.

Whenever any assessor shall increase the valuation of any real property he shall forthwith notify the record owner of such increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state.

2.

Effective January 1, 2009, for all counties with a charter form of government, other than any county

adopting a charter form of government after January 1, 2008, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of such increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase, either in person, or by mail directed to the last known address;

every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state.

Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

3.

For all calendar years prior to the first day of January of the year following receipt of software necessary for the implementation of the requirements provided under subsections 4 and 5 of this section from the state tax commission, for any county not subject to the provisions of subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of the previous assessed value and such increase either in person, or by mail directed to the last known address and include in such notice a statement indicating that the change in assessed value may impact the record owner's tax liability and provide all processes and deadlines for appealing determinations of the assessed value of such property.

Such notice shall be provided in a font and format sufficient to alert a record owner of the potential impact upon tax liability and the appellate processes available.

4.

Effective January first of the year following receipt of software necessary for the implementation of the requirements provided under this subsection and subsection 5 of this section from the state tax commission, for all counties not subject to the provisions of subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of such increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase, either in person, or by mail directed to the last known address;

every such increase HCS HB 2178 13 in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state.

Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

5.

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

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

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

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

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

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

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

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

and (8) The total projected property tax liability of the taxpayer.

6.

In addition to the requirements provided under subsections 1, 2, and 5 of this section, effective January 1, 2011, in any county with a charter form of government and with more than one million inhabitants, whenever any assessor shall notify a record owner of any change in assessed value, such assessor shall provide notice that information regarding the specific assessment method and the basis of the computation of value for such property is available on the assessor's website and provide the exact website address at which such information may be accessed.

Such notification shall provide the assessor's contact information to enable taxpayers without internet access to request and receive information regarding the assessment method and computation of value for

such property.

If any third-party documents, reports, or other data were relied upon by the assessor in the computation of assessed value, the same shall be disclosed to the record owner on the assessor's website.

137.355.

1.

If an assessor increases the valuation of any tangible personal property as estimated in the itemized list furnished to the assessor, and if an assessor increases the valuation of any real property, he shall forthwith notify the record owner of the increase either HCS HB 2178 14 in person or by mail directed to the last known address, and if the address of the owner is unknown notice shall be given by publication in two newspapers published in the county.

2.

For all calendar years prior to the first day of January of the year following receipt of software necessary for the implementation of the requirements provided under subsections 3 and 4 of this section from the state tax commission, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of the previous assessed value and such increase either in person, or by mail directed to the last known address and include on the face of such notice, in no less than twelve-point font, the following statement:

NOTICE TO TAXPAYER:

IF YOUR ASSESSED VALUE HAS INCREASED, IT MAY INCREASE YOUR REAL PROPERTY TAXES WHICH ARE DUE DECEMBER THIRTY- FIRST.

IF YOU DO NOT AGREE THAT THE VALUE OF YOUR PROPERTY HAS INCREASED, YOU MUST CHALLENGE THE VALUE ON OR BEFORE _____ (INSERT DATE BY WHICH APPEAL MUST BE FILED) BY CONTACTING YOUR COUNTY ASSESSOR.

3.

Effective January first of the year following receipt of software necessary for the implementation of the requirements provided under this subsection and subsection 4 of this section from the state tax commission, if an assessor increases the valuation of any real property, the assessor, on or before June fifteenth, shall notify the record owner of the increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase either in person or by mail directed to the last known address, and, if the address of the owner is unknown, notice shall be given by publication in two newspapers published in the county. Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

4.

The notice of projected tax liability, required under subsection 3 of this section, from the county shall include:

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

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

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

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

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

HCS HB 2178 15 (6) The contact information for each political subdivision levying a tax upon the property of the record owner;

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

and (8) The total projected property tax liability of the taxpayer.

5.

Whenever any assessor shall notify a record owner of any increase in assessed value as required by subsection 3 of this section, such assessor shall provide notice that information regarding the specific assessment method and the basis of the computation of value for such property is available on the assessor's website and shall provide the exact website address at which such information may be accessed.

Such notification shall provide the assessor's contact information to enable taxpayers without internet access to request and receive information regarding the assessment method and computation of value for such taxpayers' property.

If any third-party documents, reports, or other data were relied upon by the assessor in the computation

of assessed value, the same shall be disclosed to the record owner on the assessor's website.

HCS HB 2178 16 4.

Any cases arising from general reassessment involving property whose assessed valuation increased at least fifteen percent from the previous assessment, unless such increase is due to new construction or improvement, that were not heard and acted ~~HCS HB 2178 8~~ upon by the board of equalization by September thirtieth in any applicable year shall be dismissed, the assessor's increased assessed valuation shall be void in its entirety, and the previous assessed valuation shall be applied to the property in place of the increased assessed valuation.

The county clerk shall keep an accurate record of the proceedings and orders of the board, and the assessor shall correct all erroneous assessments, and the clerk shall adjust the tax book according to the orders of such board and the orders of the state tax commission, HCS HB 2178 17 except that in adding or deducting such percent to each tract or parcel of real estate as required by such board or state tax commission, [he] the clerk shall add or deduct in each ~~HCS HB 2178 9~~ case any fractional sum of less than fifty cents, so that the value of any separate tract shall contain no fractions of a dollar.

138.135.

1.

Notwithstanding any other provision of law to the contrary, the county assessor of any county of the first classification with a population of at least nine hundred thousand inhabitants shall not be a member of the county board of equalization.

2.

In any county of the first classification with a population of at least nine hundred thousand inhabitants, when there is an order of the board of equalization or the state tax commission, including a settlement order, relating to the assessment of property, the assessment shall remain the same for the subsequent even-numbered year unless there has been new construction or property improvements between January first of the odd-numbered year and January first of the following even-numbered year.

However, in the event of a transfer of ownership of real property on or after January first of an even-numbered year, the new owner shall be entitled to appeal the assessed value directly to the state tax commission by no later than December thirty-first of the same year, even if the prior owner appealed the value in the previous odd-numbered year and the appeal resulted in an order of the board of equalization or state tax commission.

In any such appeal by a new owner, the state tax commission shall have authority to lower the assessed value for the even-numbered year.

3.

In any county of the first classification with a population of at least nine hundred thousand inhabitants, when a hearing is conducted by the board of equalization pursuant to this chapter, if the property owner requests to be heard by a majority of the board of equalization, and a majority of the board of equalization is not in attendance for any reason, the position of the property owner shall prevail without further action.

Louis, the commission shall classify all real estate situate in cities, HCS HB 2178 18 towns, and villages, as town lots, and all other real estate as farming lands, and shall classify all tangible personal property as follows:

When the state tax commission equalizes the valuation of a class or subclass of property that results in an increase of more than fifteen percent in a single tax year, such increase shall be evenly divided between each of the next successive reassessment cycles in a manner that does not cause ~~anyan single year-increase to of exceed more than fifteen percent-percent for any two- year reassessment period.~~

For the purposes of implementing this subsection, the county assessor and collector shall apply a credit to a taxpayer's property tax bill in an amount that causes the taxpayer's real property tax liability to increase by no more than fifteen percent for any two-year reassessment period.

Every owner of real property or tangible personal property shall have the right to appeal from the local boards of equalization to the state tax commission under rules prescribed by the state tax commission, within the time prescribed in this chapter or thirty days following the final action of the local board of equalization, whichever date later occurs, concerning all questions and disputes involving the assessment against such property, the correct valuation to be placed on such property, the method or formula used in determining ~~HCS HB 2178 10~~ the valuation of such property, or the assignment of a discriminatory assessment to such property.

The commission may make its decision regarding the assessment or valuation of the property based solely upon its inquiry HCS HB 2178 19 and any evidence presented by the parties to the commission, or based solely upon evidence presented by the parties to the commission.

~~HCS HB 2178 11 5.~~

If an assessor appeals the decision of the state tax commission to a court of competent jurisdiction on any grounds other than overvaluation and the taxpayer is the HCS HB 2178 20 prevailing party, the

taxpayer shall be awarded costs of appeal and reasonable attorney's fees, whether paid directly by the taxpayer or paid by an attorney, tax agent, or other third party.

138.434.

In any [first class] charter county or a city not within a county [may require by ordinance or charter the reimbursement to], a taxpayer [for the amount of just and reasonable appraisal costs, attorney fees and court costs] shall be entitled to an award of all attorney's fees and costs of litigation resulting from an evidentiary hearing before the state tax commission or a court of competent jurisdiction including, but not limited to, attorney's fees, appraisal costs, witness fees, and court costs, whether paid directly by the taxpayer or paid by an attorney, tax agent, or other third party, if such appeal results in a final decision reducing the appraised value of residential property by at least fifteen percent or the appraised value of utility, industrial railroad and other subclass three property by at least twenty-five percent from the appraised value determined by the board of equalization for that tax year.

The commission or court awarding such fees and costs shall consider the reasonableness of the fees and costs within the context of the particular case.

Such fees and costs shall not exceed [one] five thousand dollars for a residential property appeal.

Such fees and costs for utility, industrial railroad or other subclass three property appeals shall not exceed the lesser of [four] five thousand dollars or twenty-five percent of the tax savings resulting from the appeal.

The provisions of this section shall only apply to the first contested year when cases are tried on a consolidated basis.

139.031.

1.

Any taxpayer may protest all or any part of any current taxes assessed against the taxpayer, except taxes collected by the director of revenue of Missouri.

Any such taxpayer desiring to pay any current taxes under protest or while paying taxes based upon a disputed assessment shall[, at the time of paying such taxes,] make full payment of the current tax bill before the delinquency date and file with the collector before the delinquency date a written statement setting forth the grounds on which the protest is based.

The statement shall include the true value in money claimed by the taxpayer if disputed.

An appeal before the state tax commission shall not be dismissed on the grounds that a taxpayer failed to file a written statement when paying taxes based upon a disputed assessment.

2.

Upon receiving [payment of current taxes under] written notice of protest under subsection 1 of this section or upon receiving from the state tax commission or the circuit court notice of an appeal from the state tax commission or the circuit court under section 138.430, [along with] and full payment of the current tax bill before the delinquency date, the collector shall disburse to the proper official all portions of taxes not protested or not disputed by the taxpayer and shall impound in a separate fund all portions of such taxes which are protested or in dispute.

Every taxpayer protesting the payment of current taxes under subsection 1 of this section shall, within ninety days after filing [his] such taxpayer's protest, HCS HB 2178 21 commence an action against the collector by filing a petition for the recovery of the amount protested in the circuit court of the county in which the collector maintains [his] the collector's office.

If any taxpayer so protesting [his] such taxpayer's taxes under subsection 1 of this section shall fail to commence an action in the circuit court for the recovery of the taxes protested within the time prescribed in this subsection, such protest shall become null and void and of no effect, and the collector shall then disburse to the proper official the taxes impounded, and any interest earned thereon, as provided above in this subsection.

3.

No action against the collector shall be commenced by any taxpayer who has, effective for the current tax year, filed with the state tax commission or the circuit court a timely and proper appeal of the assessment of the taxpayer's property.

The portion of taxes in dispute from an appeal of an assessment shall be impounded in a separate fund and the commission in its decision and order issued under chapter 138 or the circuit court in its judgment may order all or any part of such taxes refunded to the taxpayer, or may authorize the collector to release and disburse all or any part of such taxes.

4.

Trial of the action for recovery of taxes protested under subsection 1 of this section in the circuit court shall be in the manner prescribed for nonjury civil proceedings, and, after determination of the issues, the court shall make such orders as may be just and equitable to refund to the taxpayer all or any part of the current taxes paid under protest, together with any interest earned thereon, or to

authorize the collector to release and disburse all or any part of the impounded taxes, and any interest earned thereon, to the appropriate officials of the taxing authorities.
Either party to the proceedings may appeal the determination of the circuit court.

5.

All the county collectors of taxes, and the collector of taxes in any city not within a county, shall, upon written application of a taxpayer, refund or credit against the taxpayer's tax liability in the following taxable year and subsequent consecutive taxable years until the taxpayer has received credit in full for any real or personal property tax mistakenly or erroneously levied against the taxpayer and collected in whole or in part by the collector.

Such application shall be filed within three years after the tax is mistakenly or erroneously paid. The governing body, or other appropriate body or official of the county or city not within a county, shall make available to the collector funds necessary to make refunds under this subsection by issuing warrants upon the fund to which the mistaken or erroneous payment has been credited, or otherwise.

6.

No taxpayer shall receive any interest on any money paid in by the taxpayer erroneously.

7.

All protested taxes impounded under protest under subsection 1 of this section and all disputed taxes impounded under notice as required by section 138.430 shall be invested by the collector in the same manner as assets specified in section 30.260 for investment of state moneys.

A taxpayer who is entitled to a refund of protested or disputed taxes shall also HCS HB 2178 22 receive the interest earned on the investment thereof.

If the collector is ordered to release and disburse all or part of the taxes paid under protest or dispute to the proper official, such taxes shall be disbursed along with the proportional amount of interest earned on the investment of the taxes due the particular taxing authority.

8.

Any taxing authority may request to be notified by the county collector of current taxes paid under protest.

Such request shall be in writing and submitted on or before February first next following the delinquent date of current taxes paid under protest or disputed, and the county collector shall provide such information on or before March first of the same year to the requesting taxing authority of the taxes paid under protest and disputed taxes which would be received by such taxing authority if the funds were not the subject of a protest or dispute.

Any taxing authority may apply to the circuit court of the county or city not within a county in which a collector has impounded protested or disputed taxes under this section and, upon a satisfactory showing that such taxing authority would receive such impounded tax funds if they were not the subject of a protest or dispute and that such taxing authority has the financial ability and legal capacity to repay such impounded tax funds in the event a decision ordering a refund to the taxpayer is subsequently made, the circuit court shall order, pendente lite, the disbursal of all or any part of such impounded tax funds to such taxing authority.

The circuit court issuing an order under this subsection shall retain jurisdiction of such matter for further proceedings, if any, to compel restitution of such tax funds to the taxpayer.

In the event that any protested or disputed tax funds refunded to a taxpayer were disbursed to a taxing authority under this subsection instead of being held and invested by the collector under subsection 7 of this section, the taxpayer shall be entitled to interest on all refunded tax funds, from the date that the disputed taxes were distributed to a taxing authority through the date of the refund, at the [annual rate] rates calculated by the state treasurer and applied by the director of revenue under section 32.068.

This measure of interest shall only apply to protested or disputed tax funds actually distributed to a taxing authority pursuant to this subsection.

In the event of a refund of protested or disputed tax funds which remain impounded by the collector, the taxpayer shall instead be entitled to the interest actually earned on those refunded impounded tax funds under subsection 7 of this section.

Any sovereign or official immunity otherwise applicable to the taxing authorities is hereby waived for all purposes related to this subsection, and the taxpayer is expressly authorized to seek an order enforcing this provision from the circuit court that originally ordered the distribution of the protested or disputed funds, or directly from the state tax commission, if the tax appeal that resulted in the refund was heard and determined by the state tax commission.

9.

No appeal filed from the circuit court's or state tax commission's determination pertaining to the amount of refund shall stay any order of refund, but the decision filed by any HCS HB 2178 23 court of last review modifying that determination shall be binding on the parties, and the decision rendered shall

be complied with by the party affected by any modification within ninety days of the date of such decision.

No taxpayer shall receive any interest on any additional award of refund, and the collector shall not receive any interest on any ordered return of refund in whole or in part.

In the event that a taxpayer is entitled to a refund, the collector shall issue the refund to the taxpayer within thirty days of the date that the circuit court's or state tax commission's determination establishing the amount of the refund becomes final, and if the collector does not issue the refund within thirty days, the taxpayer shall be entitled to interest on the refund at the rate established by the director of revenue under section 32.065 for the period of time after the expiration of the thirty days until the refund is issued, in addition to all other interest due to the taxpayer under this section.