

2011 PROPERTY TAX RELATED LEGISLATION

Three pieces of legislation affecting assessors passed in the 2011 session of the legislature and were signed by the Governor. Those bills are set out below and become effective August 28, 2011.

(1) Senate Bill 55—The Sawmill Bill

Senate Bill 55, signed by Governor July 13, 2011, amends 137.016 to now include the following language in the definition of agricultural real property:

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.

SIC number 2421 can be found at www.osha.gov/oshstats/sicser.html and is described as:

Establishments primarily engaged in sawing rough lumber and timber from logs and bolts, or resawing cants and flitches into lumber, including box lumber and softwood cut stock; planing mills combined with sawmills; and separately operated planing mills which are engaged primarily in producing surfaced lumber and standard workings or patterns of lumber. This industry includes establishments primarily engaged in sawing lath and railroad ties and in producing tobacco hogshead stock, wood chips, and snow fence lath.

More specifically, facilities qualifying for agricultural classification are listed in SIC number 2421 as:

Cants, resawed (lumber)	Lumber: rough, sawed, or planed
Ceiling lumber, dressed	Planing mills, independent: except millwork
Chipper mills	Resawing lumber into smaller dimensions
Custom sawmills	Sawdust and shavings
Cut stock, softwood	Sawmills, except special product mills
Flitches (veneer stock), made in sawmills	Siding, dressed lumber
Flooring (dressed lumber), softwood	Silo stock, wood: sawed
Fuelwood, from mill waste	Snow fence lath
Furniture dimension stock, softwood	Stud mills
Kiln drying of lumber	Ties, railroad: sawed
Lath, made in sawmills and lathmills	Tobacco hogshead stock
Lumber stacking or sticking	Wood chips produced at mill

Establishments NOT qualifying for the agricultural subclass are those primarily engaged in:

- manufacturing box shoo or boxes classified in Industry Group 244
- those manufacturing Bash, doors, wood molding, window and door frames
- other fabricated millwork classified in Industry Group 243
- **those manufacturing hardwood dimension and flooring classified in Industry 2426.**

(2) Occupancy Law Amendment

House Bill 506, signed by the Governor on July 5, 2011, changes from 2 to 4 years the time the assessment of a newly constructed residential improvement must be delayed if it remains unoccupied. The indicated change to the second sentence of 137.082.1, RSMo reads:

Newly constructed residential property which has never been occupied shall not be assessed as improved real property until such occupancy or the first day of January of the [second] **fourth** year following the year in which construction of the improvements was completed.

(3) Alternative Energy Bill

House Bill 737, signed by the Governor on July 7, 2011, changes the laws regarding renewable energy in enhanced enterprise zones and the taxation of hydroelectric power generating equipment. The bill:

(1) Allows a renewable energy generation zone rather easily to be designated as an enhanced enterprise zone if the zone is found to be blighted and contains land, improvements, or a lock and dam site which is not being used or is being underutilized for the production of electrical energy from a renewable energy resource;

(2) Specifies that improvements made to real property which are locally assessed and in a renewable energy generation zone designated as an enhanced enterprise zone may, upon approval of the governing authority, be partially or totally abated from assessment and payment of ad valorem taxes of one or more affected political subdivisions as allowed by the enhanced enterprise zone statutes; and

(3) Revises the definition of "real property" to include hydroelectric power generating equipment.

Bills Which Did Not Pass

Valuation Guide

House Bill 955 or House Bill 889 would have amended section 137.115, RSMo to remove the NADA reference and change it to "any nationally recognized standard." **Neither bill passed this session.**