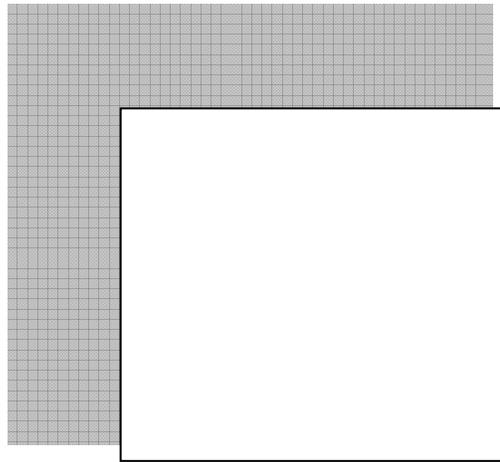


Assessor's Challenge

Thinking out of



the box

2012 Assessor's Conference

Chateau on the Lake

Branson, Missouri

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Introduction

With the current revenue concerns, in the Assessor's Office, the Assessor needs to start thinking out of the box to ensure adequate levels of revenue for the county. A good place to begin is by taking inventory of what you are currently assessing to make for sure you are including everything possible.

Section 137.075 states: ***Every person owning or holding real estate property or tangible personal property on the first day of January, including all such property purchased on that day, shall be liable for taxes thereon during the same calendar year.***

With a few exceptions, valuation date, ownership situs and taxability are all determined on January 1 of the tax year.

Below are a few items that the Assessor might consider revisiting to ensure all taxable items are being assessed.

Mobile Home Parks - 137.092 requires every owner of a rental or leasing facility, by January 30th of each year to furnish the Assessor of the County in which the leasing facility is located a list of lessees located at the rental or leasing facility on January 1 of each year. This would include manufactured mobile home parks, manufactured home storage facilities, or any hanger or similar aircraft facility. They should provide the name of the lessee and the lessee's address and county of residency.

Cell Phone/Broadband Towers - With the rapid construction of cell phone and broadband towers throughout the state, it is a task for the Assessor's Office Staff to keep up with the new construction. Generally, documents get recorded before the actual tower construction begins. Items that the Assessor might look for should include a "Memorandum of Lease", "Easement Deed", and "Floodplain Permit". Keep in mind that the tower, fencing, the building that houses the electronic equipment, the antennas, small dishes atop the tower, along with the coaxial cable running from the power source to the antennas and electronic equipment located inside the building are all taxable, and may not have the same owner. A tower questionnaire needs to be sent to the tower owner each year to request the names and contact information of any/all equipment or tower space currently being leased at the tower site.

Review of State Assessed Property – The Assessors should consistently review all state assessed property. The local Assessor is responsible for the assessment of real and personal property of water companies, gas distribution companies, cable TV companies, and rural electric cooperative companies.

For the companies deemed to be state assessed, the local Assessor is also responsible for local assessment of certain properties of these companies. These include Railroad Companies, Telecommunication Companies, Pipeline Companies, and Electric Companies. A list of what is locally assessed for these companies can be found in the "Original Assessment" section of the Assessor's Manual.

Home Site Acreage - The Assessor needs to consistently review the actual amount of homesite acreage that is currently being used and adjust the land value accordingly. Today, larger homes are being built and lawn care equipment is more affordable and accessible than it was during the time of original reassessment. If the Assessor has not physically reviewed the homesite recently, they might be surprised how much land is actually being used as a home site. With the addition of Google Earth and Pictometry, the homesite can be reviewed from the Assessor's Office, although an onsite physical inspection will need to be done before changes are made.

Leased Personal Property - Is the Assessor assessing all of the leased personal property that's in their county? Just because it is not being reported to the Assessor's Office, doesn't mean it does not exist. Office equipment, medical equipment, farm equipment, ice machines, DVD rental machines, and vending machines are just a few examples.

Trash Container Companies/LP Gas Tank Companies - The Assessor needs to make for sure they are getting inventory lists from the trash container companies and LP gas tank companies. Sometimes, several trash container companies may be leasing trash containers in the same county. LP gas tanks owned by the LP gas companies and leased to customers is taxable to the LP gas company. The LP gas tanks in storage waiting to be leased or sold is considered inventory and is not taxable.

Highway Contractors - The Assessor can request a list of all the road and bridge contractors doing work in their county as of January 1 of each year. The list can be obtained from the regional MoDot Office in your area.

Mobile Home Certificate of Registration Stickers - *"It's January 1st, do you know where your mobile homes are?"* Over the years, several assessors have started using a "Mobile Home Certificate of Registration" (mobile home stickers) with good success. This is a way of keep track of the mobile homes in the county and be able to identify when a new one has been moved. A "Certificate of Registration" sticker is placed on the mobile home by the assessor in a viewable spot so it can be readily seen during the field review process.

Industrial Mineral DNR Permits - The state of Missouri has over 90 counties that have at least 1 Industrial Mineral Permit issued by the DNR. Industrial minerals are gravel, limestone, granite, traprock, tar sands, clay, barite, sandstone, oil shale, sand and shale. A list of sites for each county in the state can be viewed and downloaded by doing an Industrial Mineral Permits Search for Missouri or going to www.dnr.mo.gov/asp/lrp/impermits/search.asp.

Review Exempted Property - Deciding whether or not to exempt a property from taxation is often one of the most difficult decisions facing an assessor. Many

worthy not-for-profit organizations which qualify for a sales tax exemption or federal not-for-profit status do not qualify for an ad valorem property tax exemption. This is difficult for the property owner to understand, and due to the complexity of exemptions, often difficult for the assessor to explain.

If an assessor is uncertain whether to grant an exemption, the State Tax Commission advises that the property be assessed and placed upon the tax rolls. The burden is then on the taxpayer to appeal to the Board of Equalization and, thereafter, to the State Tax Commission or the Circuit Court (See 138.430.3 RSMo), if necessary, to prove the exemption case in a more formal setting.

How to deal with exempted property can be found in the “General Information” section of the Assessor’s Manual.

The legal authority for property tax exemptions is located in Article X, Section 6, of the Missouri Constitution of 1945 and at Section 137.100, RSMo. The types of exemptions that frequently require the most research and analysis are:

...all property, real and personal, not held for private or corporate profit and used exclusively for religious worship, for schools and colleges, for purposes purely charitable, or for agricultural and horticultural societies....