

## **CHAPTER II**

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### **ORIGINAL ASSESSMENT & APPELLATE FUNCTIONS**

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#### **PROPERTY SUBJECT TO ORIGINAL ASSESSMENT**

The State Tax Commission of Missouri (Commission) has the exclusive power of original assessment of the distributable property of railroads, street railroads, bridges, telegraph, telephone, electric power and light companies, electric transmission lines, pipeline companies, express companies and other similar public utility corporations, companies and firms. The three classic approaches to value (cost, income, and market), when applicable, are utilized to estimate the market value of originally assessed companies and corporations. Additionally, the flanged wheel equipment of private car companies is originally assessed.

The Commission requires each company to provide an annual itemized report of physical property, a financial statement and such other information which will enable the Commission to study each particular company. After an assessment is made, dates are set for informal hearings. Each company is notified and given an opportunity to be heard before a final assessment is determined. Thereafter, the Commission certifies a final value to the companies. After determining the final value, the Commission allocates the valuation of each company, except private car companies, among the counties, road districts, cities, towns, sewer districts, ambulance districts, county library districts, and nursing home districts, etc. in which the company has mileage or other taxing situs, and certifies the same to the county clerks and the companies subject to original assessment. Valuations as assessed by the State Tax Commission are shown in Chapter V, Table I of this report.

If a company wishes to formally contest the value, an appeal must be made to the Commission within thirty days after the company receives the final assessment. The Commission, with the aid of an assistant attorney general, hears the case on the record. A decision is issued and, in the event of an unfavorable decision, the company may appeal to circuit court.

The assessment and appeal procedures for commercial aircraft of airline companies, as well as those over 3,000 pounds maximum certified gross take-off weight and not engaged in air commerce, differ from that of other originally assessed property. The owner or holder of the commercial aircraft not engaged in air commerce must return their personal property list to the assessor and must inform the assessor of the claim of "commercial aircraft" and their request to be centrally assessed based on their prorated miles.

The Commission assesses both types of commercial aircraft based upon the ratio of Missouri miles to system-wide miles, and certifies the value to the county clerks and the owner or holder of the commercial aircraft by June 15. If the owner or holder of the commercial aircraft wishes to formally contest the value, they must appeal to the Commission by August 15. Counsel for the Commission represents the Commission's Original Assessment Section in the appeal hearing. The Commission may correct erroneous certified values of commercial aircraft not engaged in air commerce on or before September 1.

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### PROPERTY TAX APPEALS

The State Tax Commission is empowered to hear appeals from the various local boards of equalization. In all counties and the City of St. Louis, the appeals must be filed with the State Tax Commission by September 30 or within thirty days of the final action of the board, whichever date is later. The State Tax Commission acknowledges receipt of the appeal, sends a copy of the complaint to the local assessing officials, and sets the matter for hearing in the county of origin. A Commission hearing officer hears the appeal and a record of the proceeding is made. An order is issued which either sustains the decision of the local board or sets aside the decision of the local board and orders the assessment rolls to be amended to reflect the decision. The decision of the hearing officer may be reviewed by the Commission upon application by either party. A final decision and order may be appealed to the circuit court of the county in which the appeal originated.