



STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 1 of 15

TABLE OF CONTENTS

CHAPTER I - ADMINISTRATION

1.0 INTRODUCTION..... I - 1
1.1 HISTORY OF THE STATE TAX COMMISSION I - 1
1.2 FUNCTIONS OF THE STATE TAX COMMISSION I - 2
 1. SUPERVISION OF ASSESSMENT PRACTICES I - 2
 2. ASSESSMENT APPEALS..... I - 3
 3. ORIGINAL ASSESSMENT I - 4
 4. INTER-COUNTY EQUALIZATION I - 5
 6. MISCELLANEOUS FUNCTIONS I - 5

CHAPTER II - GENERAL INFORMATION

2.0 HISTORY OF REASSESSMENT II - 1
2.1 TAX DAY..... II - 2
2.2 CLASSIFICATION OF PROPERTY II - 3
 1. CLASSES II - 3
 A. REAL PROPERTY..... II - 3
 1. DEFINITIONS II - 3
 2. SUBCLASSES..... II - 4
 B. PERSONAL PROPERTY II - 5
 C. PROBLEM AREAS IN CLASSIFYING PROPERTY..... II - 5
 1. FIXTURES..... II - 5
 2. SPLIT USE II - 6
 3. FOREST LAND..... II - 6
 4. MINING PROPERTY II - 7
 2.3 PERSONAL PROPERTY II - 7
 1. PERSONAL PROPERTY LISTS AND PENALTIES II - 7
 A. ALL COUNTIES EXCEPT CITY OF ST. LOUIS..... II - 7
 B. CITY OF ST. LOUIS II - 9
 2. WHERE TO TAX PERSONAL PROPERTY
 A. INTRODUCTION..... II - 10
 B. NATURAL PERSONS II - 10



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 2 of 15

C. CORPORATIONS OR PARTNERSHIPS.....	II - 10
D. NON-MISSOURI RESIDENTS	II - 11
E. MILITARY PERSONNEL.....	II - 11
F. SUMMARY.....	II - 12
3. TAXATION OF INSTRUMENTALITIES OF INTERSTATE COMM.....	II - 13
A. TAXABILITY.....	II - 13
B. TRUCKS INVOLVED IN INTERSTATE COMMERCE	II - 13
1. ASSESSMENT PROCEDURE	II - 13
a. IDENTIFYING TRUCKS.....	II - 13
2. ASSESSMENT AND APPORTIONMENT.....	II - 14
3. BOATS AND BARGES	II - 15
4. AIRCRAFT	II - 15
5. BUSINESS PERSONAL PROPERTY	II - 16
A. PROCEDURE FOR ASSESSING BUSINESS PERSONAL PROPERTY	II - 16
B. DETERMINING RECOVERY PERIODS	II - 18
1. LIST OF BPP GROUPS BY RECOVERY PERIOD.....	II - 18
2. ALPHABETICAL LISTING OF BPP GROUPS	II - 24
2.4 EXEMPTIONS	II - 28
OVERVIEW OF EXEMPTION LAWS IN THE STATE OF MISSOURI.....	II - 28
1. OWNED BY THE STATE, COUNTY OR OTHER	II - 30
2. NONPROFIT CEMETERIES.....	II - 33
3. AGRICULTURAL OR HORTICULTURAL SOCIETIES	II - 33
4. RELIGIOUS, SCHOOLS AND COLLEGES, AND CHARITIES	II - 34
A. RELIGIOUS.....	II - 35
B. SCHOOLS AND COLLEGES.....	II - 40
C. CHARITIES	II - 43
1. THE FRANCISCAN TEST	II - 43
2. SENIOR CITIZEN HOUSING	II - 45
3. HOSPITAL/MEDICAL PROPERTY	II - 47
4. MISCELLANEOUS CASES	II - 47
5. CONCLUSION.....	II - 48
5. PARTIAL EXEMPTIONS.....	II - 48
6. MISCELLANEOUS EXEMPTIONS	II - 51
A. FRATERNAL ORGANIZATION	II - 51
B. BANK PERSONAL PROPERTY.....	II - 52
C. MERCHANTS' AND MANUFACTURERS' INVENTORY	II - 53



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 3 of 15

D. UNITED STATES' PROPERTYII - 55

E. REAL PROPERTY OF FORMER PRISONERS OF WAR (POWs) WHO ARE 100%
DISABLED BY A SERVICE-RELATED DISABILITY.....II - 56

2.5 THE APPEAL PROCESSII - 57

1. INFORMAL HEARINGS.....II - 58

2. BOARD OF EQUALIZATION.....II - 58

A. SECOND, THIRD AND FOURTH CLASS COUNTIES.....II - 58

B. NON-CHARTER FIRST CLASS COUNTIESII - 61

C. ST. LOUIS CITYII - 62

D. CHARTER FIRST CLASS COUNTIESII - 62

3. STATE TAX COMMISSIONII - 63

A. FILING THE COMPLAINT.....II - 63

B. TWO-YEAR CYCLE.....II - 62

C. REPRESENTATIONII - 64

D. EVIDENCE.....II - 64

E. PROCEDUREII - 65

4. APPEAL TO THE FULL COMMISSIONII - 132

2.6 TAX RATES.....II - 133

1. PRESENT ROLLBACK LAWII - 134

2. RATE-SETTING EXAMPLEII - 134

2.7 TAX INCREMENT FINANCINGII - 136

2.8 PROPERTY TAX ABATEMENTSII - 137

1. ENTERPRISE ZONES AND ENHANCED ENTERPRISE ZONES.....II - 137

A. ENTERPRISE ZONESII - 137

B. ENHANCED ENTERPRISE ZONESII - 138

C. ASSESSOR'S DUTYII - 139

D. FURTHER INFORMATION.....II - 140

2. URBAN REDEVELOPMENT CORPORATIONSII - 141

3. LAND CLEARANCE AUTHORITY ABATEMENTS.....II - 141

4. FOREST CROPLANDII - 142

2.9 THE LEGISLATIVE PROCESSII - 142

2.10 PUBLIC RECORDS--THE SUNSHINE LAWII - 143

1. DEFINITIONII - 143

2. ACCESSII - 144

3. COPYING.....II - 144

4. PENALTIESII - 145



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 4 of 15

5. SOURCES II – 145
6. EXCEPTIONS – RECORDS OF MINING COMPANIES II – 145
2.11 RULES OF THE STATE TAX COMMISSION II - 146
2.12 CALENDAR OF STATUTORY DATES II - 146

CHAPTER III - ORIGINAL ASSESSMENT

3.0 ORIGINAL ASSESSMENT III - 1
 1. MISSOURI STATUTES III - 1
 2. FAIR MARKET VALUE III - 1
 3. UNIT VALUE III - 2
 4. CORRELATION III - 3
 5. ALLOCATION III - 3
 6. APPORTIONMENT III - 5
3.1 AIRCRAFT III - 6
3.2 PRIVATE CAR COMPANIES III - 7
 1. FAIR MARKET VALUE III - 7
3.3 IMPORTANT DATES TO REMEMBER FOR ASSESSOR’S OFFICE III - 9
3.4 FORMS III - 10

CHAPTER IV - RATIO STUDY

4.0 ASSESSMENT RATIO STUDIES IV - 1
4.1 MISSOURI RATIO STUDY’S REQUIREMENTS & CONCEPTS IV - 2
 1. BACKGROUND IV - 3
 A. MISSOURI RATIO STUDY TECHNICAL ADVISORY GROUP IV - 4
 2. RESPONSIBILITIES AND OBJECTIVES IV - 5
 3. RATIO STUDY CYCLE IV - 5
 4. STATUTORY ASSESSMENT RATES IV - 6
4.2 RATIO STUDY METHODOLOGY IV - 7
 1. RESIDENTIAL RATIO STUDY IV - 7
 2. AGRICULTURAL RATIO STUDY IV - 7
 3. COMMERCIAL RATIO STUDY IV - 8
4.3 DATA REQUIREMENTS IV - 8
 1. ASSESSMENT ROLL IV - 8



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 5 of 15

2. BUILDING STRUCTURE DATABASE	IV- 10
3. SALES DATABASE	IV- 11
A. SALES VALIDATION AND VERIFICATION.....	IV- 12
B. REQUESTED SALES DATABASE FIELDS.....	IV- 13
4. ONLINE DATA PROCESSES	IV- 14
4.4 DATABASE PREPARATION	IV- 14
1. COUNTY INFORMATION	IV- 14
2. FORMATTING FILES	IV- 14
4.5 RANDOM SAMPLING PROCESS	IV- 15
1. STRATIFIED RANDOM SAMPLING FOR APPRAISAL STUDIES	IV- 15
4.6 RESIDENTIAL SALES STUDY PROCEDURES	IV- 21
1. RELIABILITY TEST	IV- 22
EXAMPLE RELIABILITY TEST.....	IV- 24
2. TRADITIONAL SALES STUDY	IV- 30
EXAMPLE RESIDENTIAL SALES STUDY REPORT.....	IV- 32
3. COUNTY MEETING PROCESS – RESIDENTIAL SALES STUDY	IV- 40
4.7 RANDOM APPRAISAL STUDY (Residential, Agricultural, Commercial).....	IV- 41
1. APPRAISAL VALUATION	IV- 42
A. RESIDENTIAL/AGRICULTURAL PROPERTY	IV- 42
B. COMMERCIAL PROPERTY	IV- 43
2. INTERNAL REVIEW	IV- 43
EXAMPLE APPRAISAL REPORT.....	IV- 45
3. EXTERNAL REVIEW (County Meeting)	IV- 62
EXAMPLE COUNTY MEETING REVIEW FORM	IV- 63
4.8 DECISION MODEL	IV- 64
1. RESIDENTIAL DECISION MODEL	IV- 64
A. RESIDENTIAL SALES STUDY MODEL	IV- 66
B. RESIDENTIAL APPRAISAL STUDY MODEL.....	IV- 68
C. COMMERCIAL APPRAISAL STUDY.....	IV- 69
2. AGRICULTURAL & COMMERCIAL DECISION MODEL.....	IV- 69
4.9 STATISTICS	IV-70
1. MEASURES OF CENTRAL TENDENCY	IV-70
2. MEASURES OF VARIATION	IV-74



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 6 of 15

CHAPTER V - TECHNICAL ASSISTANCE

5.0 INTRODUCTION..... V - 1

5.1 COMPONENTS OF AN EFFECTIVE ASSESSMENT SYSTEM V - 1

 A. ADMINISTRATION V - 2

 B. RECORDS V - 4

 C. ASSESSMENT MAPS V - 5

 D. DATA COLLECTION..... V - 5

 E. VALUATION..... V - 6

 F. STATISTICAL STUDIES..... V - 7

 G. SUMMARY V - 8

5.0 THE MASS APPRAISAL PROCESS V- 11

 1. DEFINE THE APPRAISAL PROCESS..... V - 15

 2. CONDUCT A PRELIMINARY STUDY AND OUTLINES THE PLAN..... V - 16

 3. DEVELOP AND ANALYZE MARKET DATA V - 17

 A. COST INDEX..... V - 19

 B. DEPRECIATION BENCHMARKS V - 19

 C. INCOME AND EXPENSE GUIDES V - 19

 D. CAPITALIZATION RATES V - 19

 E. GROSS RENT MULTIPLIERS V - 19

 F. BASIC UNIT VALUES..... V - 19

 4. APPLICATION OF THE DATA..... V - 19

 A. SALES COMPARISON APPROACH..... V - 22

 B. INCOME APPROACH..... V - 22

 C. COST APPROACH V - 24

 5. CORRELATION V - 27

 6. FINAL ESTIMATE OF VALUE..... V - 27

5.3 ASSESSMENT MAINTENANCE PLAN V - 30

 1. TWO YEAR ASSESSMENT CYCLE..... V - 30

 2. ASSESSMENT MAINTENANCE PLAN V - 30

 A. FUNCTIONS AND RESPONSIBILITIES V - 34

 B. CHARTS AND REPORTS V - 41

 C. FORMS TO UTILIZED V - 44

 D. PERSONNEL ESTIMATION CHART AND EMPLOYMENT SCH..... V - 46

 E. PHASE DELINEATION CHART V - 48



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 7 of 15

1. ADMINISTRATION	V - 48
2. MAPPING.....	V - 50
3. MARKET ANALYSIS	V - 51
4. REAL ESTATE	V - 53
5. PERSONAL PROPERTY	V - 54
6. HEARINGS	V - 54
F. PLAN BUDGET	V - 68
G. ASSESSMENT MAINTENANCE PLAN - SIGN OFF.....	V - 71
5.4 PUBLIC RELATIONS	V - 73
1. NEWS MEDIA	V - 74
2. PUBLIC APPEARANCES	V - 75
3. PERSONAL CONTACTS.....	V - 76
4. CORRESPONDENCE.....	V - 78
5. INFORMATIONAL BROCHURES.....	V - 78
6. QUALITY WEBSITE.....	V - 79
5.5 USE OF ELECTRONIC DATA PROCESSING.....	V - 79
1. COMPUTER APPLICATIONS.....	V - 80
A. RECORD MANAGEMENT.....	V - 81
B. VALUATION APPLICATIONS	V - 81
1. COST APPROACH.....	V - 82
2. MARKET APPROACH	V - 85
3. INCOME APPROACH	V - 85
4. STATISTICAL PROGRAMS	V - 85
C. ADMINISTRATIVE APPLICATIONS.....	V - 85
2. COMPUTER PROGRAM MINIMUMS.....	V - 86
1. GENERAL REQUIREMENT	V - 87
2. PERSONAL PROPERTY	V - 88
3. REAL PROPERTY.....	V - 90
4. APPRAISAL PROGRAMS.....	V - 93
5.6 CONTRACTING FOR SERVICES	V - 96
1. APPRAISAL.....	V - 96
A. REVALUATION WITH A CONSULTANT	V - 97
B. REVALUATION BY PROFESSIONAL FIRM	V - 98
C. INVITATION TO BID.....	V - 99
1. PURPOSE AND VALUATION GOALS.....	V - 100
2. GENERAL SCOPE OF COMPANY'S SERVICE	V - 101



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 8 of 15

3. APPROVAL OF PERSONNEL	V - 101
4. APPRAISAL OF LAND.....	V - 101
5. APPRAISAL OF RES., AG, AND COMM. PROPERTY	V - 101
6. PROPERTY RECORD CARD.....	V - 101
7. PREPARATION OF BASE COST SCHED/COST INDEX.....	V - 102
8. USE OF COUNTY RECORDS.....	V - 102
9. FINAL REVIEW	V - 102
10. WORK AND DELIVERY SCHEDULE.....	V - 102
11. HEARINGS AND DEFENSE OF VALUES	V - 102
12. PUBLIC RELATIONS	V - 103
13. TRAINING OF ASSESSMENT PERSONNEL.....	V - 103
14. INSURANCE AND PERFORMANCE BONDS.....	V - 103
15. OFFICE SPACE AND EQUIPMENT.....	V - 103
16. COMPENSATION AND PROGRESS REPORTS.....	V - 104
17. RESTRICTIONS AND COMPLETION PENALTIES	V - 104
D. CONTRACTOR SELECTION.....	V - 104
E. CONTRACT PREPARATION	V - 105
F. COMPLETION OF WORK	V - 105
2. AERIAL PHOTOGRAPHY AND MAPPING.....	V - 106
A. INVITATION TO BID.....	V - 106
1. INSTRUCTIONS TO BIDDERS	V - 107
2. PROJECT SPECIFICATIONS	V - 107
3. DATE TO BE SUBMITTED.....	V - 107
B. SELECTING THE CONTRACTOR	V - 108
C. MONITORING THE MAPPING CONTRACT	V - 108
5.7 ASSESSMENT MAPPING.....	V - 109
1. AERIAL PHOTOGRAPHY	V - 109
A. PRELIMINARY SURVEY.....	V - 109
B. COUNTY INDEX MAP	V - 110
C. BASIC MAPPING MODULE	V - 110
D. MAP SCALES	V - 111
E. AERIAL ENLARGEMENT TYPES	V - 116
F. COUNTY CONTROL NETWORK.....	V - 117
G. FLIGHT PLAN	V - 117
H. PHOTOGRAPHIC SPECIFICATIONS	V - 118
1. GENERAL SPECIFICATIONS	V - 118



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 9 of 15

2. PHOTOGRAMMETRY V - 118

2. MAP AND PARCEL IDENTIFICATION SYSTEMS V - 119

 A. STANDARD PARCEL IDENTIFICATION SYSTEMS V - 120

 1. GEOGRAPHIC COORDINATE SYSTEMS V - 120

 2. RECTANGULAR SURVEY SYSTEM V - 121

 3. MAP BOOK-PAGE IDENTIFICATION SYSTEM V - 121

3. CADASTRAL BASE MAPPING V - 124

 A. PLANNING V - 124

 B. DATA RESEARCH V - 129

 C. INITIAL DEED PLOTTING V - 129

 D. FINAL OWNERSHIP MAPS V - 130

 E. ASSESSMENT MAP PRINTS V - 130

4. MISSOURI UNIFORM MAP AND PARCEL NUMBERING SYSTEM V - 134

 A. MISSOURI UNIFORM PARCEL NUMBERING SYSTEM V - 134

 B. OWNERSHIP MAP NUMBERING SYSTEM V - 138

5. ASSESSMENT MAP MAINTENANCE V - 142

 A. MAINTENANCE OF MAPS AND OFFICE RECORDS V - 146

 B. MAP CONTRACT DELIVERABLES V - 147

 C. MAP MAINTENANCE REQUIREMENTS V - 148

 D. DRAFTING STANDARDS V - 151

 E. OWNERSHIP INDEX SYSTEM V - 154

 F. UPDATING PROCEDURES V - 155

 1. OWNERSHIP MAPS V - 155

 2. PROPERTY INDEX CARDS V - 159

5.8 MARKET STUDIES V - 161

 1. NEIGHBORHOOD SALES RATIO V - 167

 2. LAND ANALYSIS V - 168

 3. DEPRECIATION STUDY V - 169

 4. INDEX STUDY V - 169

CHAPTER VI – VALUATION

6.0 FUNDAMENTAL APPRAISAL CONCEPTS VI – 1

 1. THE NATURE OF VALUE VI – 2

 2. THE PROPERTY RIGHTS TO BE APPRAISED VI – 3

 A. PROPERTY TAXATION VI – 3



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 10 of 15

B. EMINENT DOMAIN.....	VI – 4
C. POLICE POWER.....	VI – 4
D. ESCHEAT.....	VI – 4
3. SPECIAL CHARACTERISTICS OF REAL PROPERTY.....	VI – 4
A. IMMOBILITY.....	VI – 5
B. DURABILITY.....	VI – 5
C. NONSTANDARD COMMODITY.....	VI – 5
4. BASIC PRINCIPLES OF VALUE.....	VI – 5
A. ANTICIPATION.....	VI – 5
B. SUBSTITUTION.....	VI – 6
1. THE COST APPROACH.....	VI – 6
2. THE MARKET DATA APPROACH.....	VI – 6
3. THE INCOME APPROACH.....	VI – 7
C. CHANGE.....	VI – 7
1. DEVELOPMENT OR GROWTH.....	VI – 7
2. EQUILIBRIUM.....	VI – 7
3. DISINTEGRATION.....	VI – 7
D. COMPETITION.....	VI – 7
E. BALANCE.....	VI – 8
F. INCREASING AND DECREASING RETURNS.....	VI – 8
G. CONTRIBUTION.....	VI – 9
H. SURPLUS PRODUCTIVITY.....	VI – 9
1. CONFORMITY.....	VI – 10
J. SUPPLY AND DEMAND.....	VI – 11
K. EXTERNALITIES.....	VI – 11
L. HIGHEST AND BEST USE.....	VI – 11
1. LEGALLY PERMISSIBLE.....	VI – 11
2. PHYSICALLY POSSIBLE.....	VI – 12
3. FINANCIALLY FEASIBLE.....	VI – 12
4. MAXIMUM PRODUCTIVITY.....	VI – 12
5. THE VALUATION PROCESS.....	VI – 12
A. DEFINITION OF THE PROBLEM.....	VI – 13
B. DATA COLLECTION AND PROPERTY DESCRIPTION.....	VI – 14
C. DATA ANALYSIS.....	VI – 15
D. LAND VALUE OPINION.....	VI – 15
E. APPLICATION OF THE APPROACHES TO VALUE.....	VI – 16



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 11 of 15

F. RECONCILIATION OF VALUE INDICATIONS AND FINAL OPINION OF VALUE.....	VI – 16
G. REPORT OF DEFINED VALUE	VI – 16
6. THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE OR USPAP	VI – 17
A. THE ETHICS RULE, IN BRIEF.....	VI – 17
B. THE RECORD KEEPING RULE IN BRIEF.....	VI – 18
C. THE COMPETENCY RULE, IN BRIEF.....	VI – 18
D. THE SCOPE OF WORK RULE, IN BRIEF.....	VI – 18
E. THE JURISDICTIONAL EXCEPTION RULE, IN BRIEF.....	VI – 18
F. STANDARD 1: REAL PROPERTY APPRAISAL, DEVELOPMENT.....	VI – 18
G. STANDARD 2: REAL PROPERTY APPRAISAL, REPORTING	VI – 18
H. STANDARD 3: APPRAISAL REV., DEVELOPMENT & REPORTING	VI – 19
I. STANDARD 4: REAL PROPERTY APPRAISAL CONSULTING, DEVELOPMENT.....	VI – 19
J. STANDARD 5: REAL PROPERTY APPRAISAL CONSULTING, REPORTING.....	VI – 19
K. STANDARD 6: MASS APPRAISAL, DEVELOPMENT & REPORTING.....	VI – 19
L. STANDARD 7: PERSONAL PROPERTY APPRAISAL, DEVELOPMENT.....	VI – 19
M. STANDARD 8: PERSONAL PROPERTY APPRAISAL, REPORTING.....	VI – 20
N. STANDARD 9: BUSINESS APPRAISAL, DEVELOPMENT	VI – 20
O. STANDARD 10: BUSINESS APPRAISAL, REPORTING	VI – 20
6.1 LAND VALUATION	VI – 20
1. LAND IDENTIFICATION	VI – 25
A. RECTANGULAR SURVEY SYSTEM	VI – 25
B. METES AND BOUNDS DESCRIPTIONS.....	VI – 33
C. LOT AND BLOCK SYSTEM	VI – 37
2. SITE ANALYSIS – VALUATION FACTORS	VI – 39
A. PHYSICAL FACTORS	VI – 39
B. ECONOMIC FACTORS.....	VI – 40
C. GOVERNMENTAL FACTORS.....	VI – 40
D. SOCIAL FACTORS	VI – 40
3. SITE ANALYSIS – UNITS OF COMPARISON.....	VI – 43



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 12 of 15

A. STANDARD UNITS OF MEASUREMENTS	VI – 43
1. FRONT FOOT	VI – 43
2. SQUARE FOOT	VI – 44
3. ACRE	VI – 44
4. SITE/LOT UNIT	VI – 44
5. BUILDABLE UNIT	VI – 44
B. STANDARD UNIT ADJUSTMENTS	VI – 45
1. EXCESS FRONTAGE INFLUENCE	VI – 45
2. DEPTH INFLUENCE	VI – 46
3. CORNER INFLUENCE	VI – 51
4. IRREGULAR LOTS	VI – 51
4. LAND VALUATION	VI – 55
A. SALES COMPARISON	VI – 55
B. EXTRACTION OR ALLOCATION	VI – 59
6.2 THE COST APPROACH	VI – 61
1. THE COST CONCEPT	VI – 62
A. METHODS OF COST ESTIMATING	VI – 63
B. DEPRECIATION	VI – 65
C. ESTIMATING ACCRUED DEPRECIATION	VI – 70
1. ANALYSIS OF SUBJECT PROPERTY	VI – 76
A. INDICATION OF NEIGHBORHOOD	VI – 76
B. SITE AND IMPROVEMENT INSPECTION	VI – 76
C. PHYSICAL PROPERTY CHARACTERISTICS	VI – 77
D. IDENTIFICATION OF HIGHEST AND BEST VALUE	VI – 77
2. MARKET RESEARCH AND ANALYSIS	VI – 77
3. THE COMPARISON AND ADJUSTMENT PROCESS	VI – 79
A. UNITS OF COMPARISON	VI – 79
1. RESIDENTIAL PROPERTIES	VI – 79
2. COMMERCIAL PROPERTIES	VI – 79
3. INDUSTRIAL PROPERTIES	VI – 80
B. THE ELEMENTS OF COMPARISON	VI – 81
1. MARKET CONDITION (TIME)	VI – 81
2. LOCATION	VI – 81
3. CONDITION OF SALE	VI – 82
4. FINANCING TERMS	VI – 82
5. PHYSICAL CHARACTERISTICS	VI – 82



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 13 of 15

C. ADJUSTMENT TECHNIQUES.....	VI – 82
1. LUMP-SUM OR WHOLE PROPERTY ADJUSTMENTS.....	VI – 82
2. COMPONENT DOLLAR ADJUSTMENT	VI – 83
3. PERCENTAGE ADJUSTMENTS.....	VI – 83
4. PERCENTAGE FACTORING ADJUSTMENTS	VI – 84
4. RECONCILIATION OF VALUE AND FINAL OPINION OF VALUE.....	VI – 88
5. MULTIPLE REGRESSION ANALYSIS	VI – 88
6.4 THE INCOME APPROACH TO VALUE.....	VI - 91
1. BASIC ASSUMPTIONS	VI – 91
A. VALUE IS A FUNCTION OF INCOME	VI – 91
B. REMAINING ECONOMIC LIFE.....	VI – 92
C. DISCOUNTING AND THE CAPITALIZATION PROCESS	VI – 92
2. PROCESSING INCOME	VI – 94
A. GROSS INCOME	VI – 95
B. VACANCY AND COLLECTION LOSSES	VI – 95
C. EFFECTIVE GROSS INCOME	VI – 95
D. EXPENSES.....	VI – 96
1. FIXED EXPENSES	VI – 96
2. OPERATING EXPENSE	VI – 97
3. RESERVES FOR REPLACEMENT.....	VI – 97
E. NET INCOME.....	VI – 99
F. CAPITALIZATION RATES AND MULTIPLIERS	VI – 99
A. COMPONENTS OF A CAPITALIZATION RATE	VI – 99
1. INTEREST RATE	VI – 99
2. RECAPTURE RATE.....	VI – 102
3. EFFECTIVE TAX RATE.....	VI – 103
B. MARKET DERIVED RATES AND MULTIPLIERS.....	VI – 103
1. GROSS RENT MULTIPLIERS AND GROSS INCOME MULTIPLIERS... VI – 104	
2. OVERALL RATES	VI – 104
3. DISCOUNT RATES.....	VI – 106
C. BAND-OF-INVESTMENT METHOD	VI – 107
3. CAPITALIZATION METHODS.....	VI – 107
A. DIRECT CAPITALIZATION.....	VI – 110
B. MORTGAGE-EQUITY CAPITALIZATION	VI – 111
1. BAND-OF-INVESTMENT	VI – 111
C. DISCOUNTED CASH FLOW	VI – 112



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 14 of 15

6.5 RECONCILIATION OF VALUE/CORRELATION VI – 114
SUPPLEMENT VI – 119
 LAND VALUATION VI – 119
 A. SUBDIVISION DEVELOPMENT ANALYSIS VI – 119
 B. CAPITALIZATION OF GROUND RENT VI – 122
 C. LAND RESIDUAL CAPITALIZATION..... VI – 122
 INCOME APPROACH VI – 124
 A. BAND-OF-INVESTMENT METHOD VI – 124
 1. LOAN AMORTIZATION AND EQUITY BUILDUP..... VI – 125
 B. STRAIGHT-LINE CAPITALIZATION VI – 129
 C. ANNUITY CAPITALIZATION..... VI – 130
 1. THE INWOOD PREMISE VI – 135
 2. THE HOSKOLD PREMISE..... VI – 135
 3. CAPITALIZATION TECHNIQUES..... VI – 136
 A. LAND RESIDUAL TECHNIQUE VI – 138
 B. BUILDING RESIDUAL TECHNIQUE..... VI – 138
 C. PROPERTY RESIDUAL TECHNIQUE..... VI – 140

CHAPTER VII - SPECIALITY PROPERTY GUIDELINES

7.0 SPECIALITY PROPERTY GUIDELINES VII - 7.0 - 1
7.1 RURAL ELECTRIC COOPERATIVES GUIDELINES.....VII - 7.1 - 1
 1. OVERVIEWVII - 7.1 - 1
 2. MARKET VALUE ESTIMATE.....VII - 7.1 - 2
 3. UPDATES.....VII - 7.1 - 4
7.2 CABLE TELEVISION SYSTEM VALUATION GUIDELINESVII - 7.2 - 1
 1. CABLE TELEVISION SYSTEMSVII - 7.2 - 1
 A. DEFINITION OF SYSTEMVII - 7.2 - 2
 1. HEADENDVII - 7.2 - 2
 2. DISTRIBUTION.....VII - 7.2 - 2
 3. SUBSCRIBER CONNECTIONVII - 7.2 - 3
 B. REGULATIONVII - 7.2 - 3
 C. CLASSIFICATION OF PROPERTY AD VALOREM TAXATIONVII - 7.2 - 3
 1. REAL PROPERTY.....VII - 7.2 - 4
 2. TANGIBLE PERSONAL PROPERTY.....VII - 7.2 - 5
7.3 AG LAND VALUATION GUIDELINESVII - 7.3 - 1



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

TABLE OF CONTENTS

REVISION DATE: 07/13/2023

Page 15 of 15

SUPPLEMENTAL LAND GRADING INFORMATIONVII - 7.3 - 2

1. SOIL CHARACTERISTICSVII - 7.3 - 3

 A. LAND FEATURESVII - 7.3 - 3

 B. SLOPESVII - 7.3 - 3

 C. EROSION.....VII - 7.3 - 4

 D. FLOODINGVII - 7.3 - 4

 E. PRODUCTIVITY.....VII - 7.3 - 4

 F. CLIMATE AND MOISTURE AVAILABILITYVII - 7.3 - 5

 G. COLOR OF SOILVII - 7.3 - 5

 H. TEXTUREVII - 7.3 - 5

 I. SUBSOIL CHARACTERISTICSVII - 7.3 - 6

 J. SOIL TYPESVII - 7.3 - 6

 K. OTHER FACTORSVII - 7.3 - 6

2. SOIL SURVEY.....VII - 7.3 - 6

3. PRODUCTIVITY INDEX RATING (PI).....VII - 7.3 - 7

4. CONCLUSION.....VII - 7.3 - 8

SUPPLEMENTAL LAND GRADING DEFINITIONSVII - 7.3 - 12

1. AGRICULTURAL/HORICULTURAL LAND CRADESVII - 7.3 - 13

 A. GRADE 1VII - 7.3 - 13

 B. GRADE 2VII - 7.3 - 13

 C. GRADE 3VII - 7.3 - 13

 D. GRADE 4.....VII - 7.3 - 14

 E. GRADE 5VII - 7.3 - 14

 F. GRADE 6.....VII - 7.3 - 15

 G. GRADE 7VII - 7.3 - 15

 H. GRADE 8.....VII - 7.3 - 16

 I. DEFINITIONS.....VII - 7.3 - 16

7.4 ASSESSMENT OF NATURAL GAS DISTRIBUTION COMPANIESVII - 7.4 - 1

7.5 LIVESTOCK VALUE GUIDELINES.....VII - 7.5 - 1

7.6 BILLBOARDS – COST APPROACH TO VALUEVII - 7.6 - 1

7.7 ASSESSMENT OF WIND ENERGY FACILITIES.....VII - 7.7 - 1

7.8 ASSESSMENT OF PROPANE TANKSVII - 7.8 - 1

7.9 STATE ASSESSMENT OF COMMERCIAL AIRCRAFT NOT OWNED BY AIRLINE
COMPANIES.....VII - 7.9 - 1

7.10 SUBSIDIZED HOUSING.....VII - 7.10- 1

7.11 ASSESSMENT OF SOLAR PROPERTY.....VII – 7.11-1