

STATE TAX COMMISSION OF MISSOURI

ORDER

COMES NOW the State Tax Commission of Missouri, pursuant to the powers vested in it by the constitution and statutes of this state, and hereby directs and orders the Jackson County Executive, the Jackson County Board of Equalization, and the Jackson County Assessor (hereafter “Jackson County assessing officials”), as follows:

1. Section 138.410 RSMo. bestows upon this Commission general supervision over all the assessing officers of this state and over county boards of equalization and appeal in the performance of their duties concerning the general property tax. It is the responsibility of the Commission to inquire into the methods of assessment and determine whether the assessing officers and boards of equalization are discharging their duties as required by law. To this end, the Commission has powers commensurate with its responsibility and may issue orders designed to enforce the law and assure uniformity. *Cassily v. Riney*, 576 S.W.2d 325 (Mo. banc 1979); *Cuivre River Electric, Inc. v. State Tax Commission of Missouri*, 769 S.W.2d 432, 435 (Mo. banc 1989).
2. The Jackson County Executive is responsible for the administration of the affairs of Jackson County, has the power to correct mistaken or erroneous assessments and taxes mistakenly or erroneously levied or paid, and shall assign all duties and functions prescribed by law or this charter for the county assessor.
3. The Jackson County Assessor, who is head of the Jackson County Assessment Department, is responsible for assessment of property in Jackson County in a manner that complies with Missouri law.
4. The Jackson County Board of Equalization is responsible for hearing all appeals from the Jackson County Assessment Department and correcting and adjusting property assessments accordingly.
5. Pursuant to Section 137.115.10 RSMo., before an assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.
6. Section 137.115.11 RSMo. provides that if a physical inspection is required, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner’s rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection

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

7. Section 137.115.12 RSMo. provides that in cases of valuation increase by more than fifteen percent, a physical inspection 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. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection in these cases.

8. The Commission finds and determines that Sections 137.115.10, 137.115.11 and 137.115.12 RSMo. are mandatory and not merely directory in nature. In the event a property owner appeals an assessment, if the assessor fails to establish that proper notice was given and that a physical inspection was performed in accordance with Section 137.115 RSMo., the property owner shall prevail as a matter of law. Section 138.060.1 RSMo. The Commission has consistently ruled that property assessment increases must not exceed fifteen percent from the last assessment when the assessor fails to comply with the notice and inspection provisions of these statutes. See *Christopher and Sarah Slusser v. Jake Zimmerman, Assessor, St. Louis County, Missouri*, Appeal No. 17-10066; *Cameron Walker v. Gail McCann Beatty, Assessor, Jackson County, Missouri*, Appeal No. 21-30073; *Rusty Parker v. Eric Dugal, Assessor, St. Francois County, Missouri*, Appeal No. 21-84001.

9. The Commission finds and determines that in conducting its biennial reassessment for 2023, Jackson County assessing officials failed to give proper notice to property owners and failed to perform physical inspections as required by Section 137.115 RSMo. where the assessed valuation of residential real property increased by more than fifteen percent since the last assessment, resulting in mistaken or erroneous assessments and taxes that were mistakenly or erroneously levied or paid in 2023, in that:

a. Jackson County assessing officials did not notify, in writing, most property owners whose assessed valuations increased more than fifteen percent from the last assessment that a physical inspection was required.

b. Jackson County assessing officials did not notify most property owners that a physical inspection was required and did not provide the owner clear written notice of the owner's rights relating to the physical inspection, including the property owner's right to an interior inspection *during* the physical inspection.

c. Many notices sent to property owners were undated and, on the face of the notices, did not include the percentage change in assessed valuation, nor did they provide

property owners with no less than thirty days to notify the Assessor of a request for an interior physical inspection.

d. Jackson County assessing officials did not physically inspect many properties in the manner required by Section 137.115 RSMo., but instead, incorrectly determined that its parcel-by-parcel reviews conducted during 2021, 2022, and early 2023 fulfilled the physical inspection requirement.

e. Jackson County assessing officials conducted Board of Equalization appeals in such a manner as to provide taxpayers with insufficient or misleading information as to the Board of Equalization appeal process, insufficient physical accommodations making it extremely difficult, if not impossible, for some taxpayers to pursue their appeal rights, expressly or impliedly telling taxpayers contrary to law that the burden of proof at Board of Equalization hearings is on the taxpayer, refusing to recognize evidence as to valid comparable sales provided by some taxpayers, undue interference by the Jackson County assessor's office in the affairs of the Board of Equalization, and other unfair and improper conduct resulting in an overall denial of due process to Jackson County taxpayers.

10. The failures described herein were widespread and systemic, affecting at least seventy five percent of the parcels to which these requirements applied.

WHEREFORE, as a result of mistaken or erroneous assessments and taxes that were mistakenly or erroneously levied or paid, and in order to ensure compliance with Missouri law, the Commission orders as follows:

1. Jackson County assessing officials shall correct the 2023 Assessment Roll to reflect assessed valuations of all parcels of subclass (1) real property, excluding increases due to new construction or improvements, that equal the valuations determined by Jackson County assessing officials, or valuations that do not exceed fifteen percent since the last assessment, whichever is less.

2. With respect to 2023 appeals that are still pending before the Board of Equalization, the Board of Equalization shall assess all parcels of subclass (1) real property, excluding increases due to new construction or improvements, at their true value in money or at valuations that do not exceed fifteen percent since the last assessment, whichever is less.

3. Within 30 days from the date of this Order, Jackson County assessing officials shall review all 2023 subclass (1) real property stipulations that have been submitted to the State Tax Commission for approval and shall notify the State Tax Commission of all stipulated amounts that exceed the valuation limit described in paragraphs 1 and 2, above.

4. The assessed valuations for 2024 subclass (1) real property shall remain the same as the assessed valuations in the 2023 assessment roll, as corrected by this Order, excluding increases due to new construction or improvements.

5. Jackson County assessing officials shall take all necessary actions to ensure future compliance with Section 137.115 RSMo.

STATE TAX COMMISSION OF MISSOURI



Gary Romine
Chairman



Debbi McGinnis
Commissioner



Greg Razer
Commissioner

Dated at Jefferson City, Missouri
On this 6th day of August, 2024