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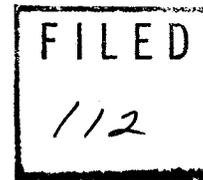
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July 22, 1985

OPINION LETTER NO. 112-85

The Honorable Margaret Kelly, CPA
State Auditor
State Capitol Building
Jefferson City, Missouri 65101



Dear Ms. Kelly:

This letter is in response to your question asking:

Is it legally permissible in computing the preceding valuation factor for school districts to adjust upward the valuations of state assessed property to eliminate the effect, as near as possible, of the blanket reductions made by the State Tax Commission in the assessed valuation of certain state property?

Section 137.073.1(2) of Senate Committee Substitute for Senate Bill No. 152, Eighty-Third General Assembly, First Regular Session, defines the term "preceding valuation factor" to include an adjustment for "blanket assessment changes". The phrase "blanket assessment changes" is undefined.

The State Tax Commission made blanket adjustments in the level of assessment of state-assessed property other than railroads, airlines, and bridge companies beginning in 1981. In 1981, the thirty-three and one-third percent (33.33%) statutory assessment ratio was reduced to thirty-one and one-eighth percent (31.125%). In 1982, the assessment ratio was reduced to twenty-eight and ninety-seven one-hundredths percent (28.97%). In 1983, the assessment ratio was reduced to twenty-six and seventy-eight one-hundredths percent (26.78%). In 1984, the assessment ratio was reduced to twenty-five percent (25%). Beginning in 1976, state-assessed railroad property had its assessment ratios reduced to the average level of assessment in each county as determined by the State Tax Commission's annual ratio study.

The Honorable Margaret Kelly, CPA

We believe that the blanket changes made by the State Tax Commission, as described above, are "blanket assessment changes" referred to in Section 137.073.1(2) of Senate Committee Substitute for Senate Bill No. 152, Eighty-Third General Assembly, First Regular Session. This new law makes it clear that state-assessed property is in the "property base" in the calculation of tax rate rollbacks for school districts.

Accordingly, in calculating preceding valuation factors for school district tax rate rollbacks, the valuations of state-assessed property shall be adjusted upward to eliminate the effect, as near as possible, of the blanket reductions made by the State Tax Commission in the assessed valuations of certain state-assessed property.

Very truly yours,



WILLIAM L. WEBSTER
Attorney General