

IN THE CIRCUIT COURT FOR POLK COUNTY MISSOURI

Lisa Smith, Audrain County, Missouri
Clerk, in her official capacity;

Melissa Maupin, Audrain County,
Missouri Assessor, in her official capacity;

Board of Equalization of
Audrain County, Missouri, through its
Members in their official capacities;

Melissa Meek, DeKalb County, Missouri
Clerk, in her official capacity;

Tanya Zimmerman, DeKalb County,
Missouri Assessor, in her official capacity;

Board of Equalization of
DeKalb County, Missouri, through its
Members in their official capacities;

Laura Stumbaugh, Pike County,
Missouri Clerk, in her official
capacity;

Board of Equalization of
Pike County, Missouri, through its
Members in their official capacities;

Rachel Lightfoot, Polk County,
Missouri Clerk, in her official
capacity; and

Rita Lemmon, Polk County,
Missouri Assessor, in her official capacity;

Board of Equalization of
Polk County, Missouri, through its
Members in their official capacities;

Alicia Baker, Reynolds County,
Missouri Clerk, in her official
capacity;

Rick Parker, Reynolds County,

Missouri Assessor, in his official capacity;)

Board of Equalization of)

Reynolds County, Missouri, through its)

Members in their official capacities;)

Plaintiffs,)

Case No.:

State Tax Commission of Missouri;)

Serve at:)

Sandy Wankum)

3705 Missouri Blvd., Suite 100)

Jefferson City, Mo 65109)

Gary Romine, in his capacity as)

Chairman of the State Tax Commission;)

Serve at:)

3705 Missouri Blvd., Suite 100)

Jefferson City, Mo 65109)

Debbi McGinnis, in her capacity as)

Commissioner of the State Tax)

Commission; and)

Serve at:)

3705 Missouri Blvd., Suite 100)

Jefferson City, Mo 65109)

Greg Razer, in his capacity as)

Commissioner of the State Tax)

Commission.)

Serve at:)

3705 Missouri Blvd., Suite 100)

Jefferson City, Mo 65109)

Defendants.)

PETITION

COMES NOW Petitioners, Lisa Smith, Audrain County, Missouri Clerk, in her official capacity (“Audrain Clerk”); Melissa Maupin, Audrain County, Missouri Assessor, in her official capacity (“Audrain Assessor”); Board of Equalization of Audrain County, Missouri, through its

Members in their official capacities (“Audrain Board of Equalization”)(collectively “Audrain County”); Melissa Meek, DeKalb County, Missouri Clerk, in her official capacity (“DeKalb Clerk”); Tanya Zimmerman, DeKalb County, Missouri Assessor, in her official capacity (“DeKalb Assessor”); Board of Equalization of DeKalb County, Missouri, through its Members in their official capacities (“DeKalb Board of Equalization”)(collectively “DeKalb County”); Laura Stumbaugh, Pike County, Missouri Clerk, in her official capacity (“Pike Clerk”); Board of Equalization of Pike County, Missouri, through its Members in their official capacities (“Pike Board of Equalization”)(collectively “Pike County”) Rachel Lightfoot, Polk County, Missouri Clerk, in her official capacity (“Polk Clerk”) Rita Lemmon, Polk County, Missouri Assessor, in her official capacity (“Polk Assessor”); Board of Equalization of Polk County, Missouri, through its Members in their official capacities (“Polk Board of Equalization”)(collectively “Polk County”); Alicia Baker, Reynolds County, Missouri Clerk, in her official capacity (“Reynolds Clerk”); Rick Parker, Reynolds County, Missouri Assessor, in his official capacity (“Reynolds Assessor”); Board of Equalization of Reynolds County, Missouri, through its Members in their official capacities (“Reynolds Board of Equalization”)(collectively “Reynolds County”) by and through the undersigned counsel, pursuant to Section 115.024 RSMo., and for their Petition state as follows:

INTRODUCTION

Party Information

1. Petitioner Lisa Smith, Audrain County, Missouri, Clerk, in her official capacity as the duly elected Clerk for Audrain County, Missouri.
2. Petitioner Melissa Maupin, Audrain County, Missouri Assessor, in her capacity as the duly elected Assessor for Audrain County, Missouri.

3. Petitioner Board of Equalization of Audrain County, Missouri, by and through their members, and is a quasi-judicial, administrative body of Audrain County, Missouri authorized to hear county valuation appeals and to equalize property values upon all property classifications within Audrain County.

4. Petitioner Melissa Meek, DeKalb County, Missouri, Clerk, in her official capacity as the duly elected Clerk for DeKalb County, Missouri.

5. Petitioner Tanya Zimmerman, DeKalb County, Missouri Assessor, in her capacity as the duly elected Assessor for DeKalb County, Missouri.

6. Petitioner Board of Equalization of DeKalb County, Missouri, by and through their members, and is a quasi-judicial, administrative body of DeKalb County, Missouri authorized to hear county valuation appeals and to equalize property values upon all property classifications within DeKalb County.

7. Petitioner Laura Stumbaugh, Pike County, Missouri, Clerk, in her official capacity as the duly elected Clerk for Pike County, Missouri.

8. Petitioner Board of Equalization of Pike County, Missouri, by and through their members, and is a quasi-judicial, administrative body of Pike County, Missouri authorized to hear county valuation appeals and to equalize property values upon all property classifications within Pike County.

9. Petitioner Rachel Lighfoot, Polk County, Missouri, Clerk, in her official capacity as the duly elected Clerk for Polk County, Missouri.

10. Petitioner Rita Lemmon, Polk County, Missouri Assessor, in her capacity as the duly elected Assessor for Polk County, Missouri.

11. Petitioner Board of Equalization of Polk County, Missouri, by and through their members, and is a quasi-judicial, administrative body of Polk County, Missouri authorized to hear county valuation appeals and to equalize property values upon all property classifications within Polk County.

12. Petitioner Alicia Baker, Reynolds County, Missouri, Clerk, in her official capacity as the duly elected Clerk for Reynolds County, Missouri.

13. Petitioner Rick Parker, Reynolds County, Missouri Assessor, in his capacity as the duly elected Assessor for Reynolds County, Missouri.

14. Petitioner Board of Equalization of Reynolds County, Missouri, by and through their members, and is a quasi-judicial, administrative body of Reynolds County, Missouri authorized to hear county valuation appeals and to equalize property values upon all property classifications within Reynolds County.

15. For purposes of this Petition, Audrain County, DeKalb County, Pike County, Polk County, and Reynolds County shall be referred to collectively as "Counties."

16. For purposes of this Petition, the Audrain Assessor, DeKalb Assessor, Polk Assessor, and Reynolds Assessor shall be referred to collectively as "Assessors."

17. For purposes of this Petition, the Audrain Clerk, DeKalb Clerk, Pike Clerk, Polk Clerk, and Reynolds Clerk shall be referred to collectively as "Clerks."

18. For purposes of this Petition, the Audrain Board of Equalization, DeKalb Board of Equalization, Pike Board of Equalization, Polk Board of Equalization, and Reynolds Board of Equalization shall be referred to collectively as "Boards of Equalization."

19. Defendant Missouri State Tax Commission is an agency of the State of Missouri established pursuant to Section 138.190, RSMo.

20. The Commission is made up of three members who are appointed by the Governor of the State of Missouri, with the advice and consent by the Senate.

21. The members of the Commission are not elected by the citizens of the state of Missouri.

22. The Commission is assisted in its duties by various staff members.

23. Defendant Gary Romine is Chairman of the Commission ("Chairman Romine"). He is named in this action in his official capacity.

24. Defendant Debbi McGinnis is a Commissioner of the Commission ("Commissioner McGinnis"). She is named in this action in her official capacity.

25. Defendant Greg Razer is a Commissioner of the Commission ("Commissioner Razer"). He is named in this action in his official capacity.

26. For purposes of this Petition, Missouri State Tax Commission, Chairman Romine, Commissioner McGinnis, and Commissioner Razer shall be referred to collectively as "Commission."

27. Jurisdiction and venue are proper in this Court as the Polk County Clerk, Assessor, and Board of Equalization all reside in Polk County, Missouri, and this action involves the assessment of real property which is situated in Polk County, Missouri. § 138.470.4, RSMo., and Section 536.110, RSMo.

28. The subject matters relating to the allegations in this Petition occurred in the State of Missouri.

GENERAL ALLEGATIONS

29. The duties and powers of the Commission are authorized pursuant to § 138.380, RSMo., and Article X, Section 14 of the Missouri Constitution.

30. The Commission is appointed by the Governor, by and with the advice and consent of the Senate, to “equalize assessments as between counties and, under such rules as may be prescribed by law, to hear appeals from local boards in individual cases and, upon such appeal, to correct any assessment which is shown to be unlawful, unfair, arbitrary or capricious.” Mo. Const. Article X, § 14.

31. Section 138.380, RSMo., authorizes the Commission to raise or lower the assessed value of real property, provided that before such increase in assessment, notice of the intention of the Commission to raise such assessed valuation and the time and place at which a hearing will be held.

32. Upon information and belief, the Commission has not provided notice of the intention to raise assessed valuations in Counties and the Commission has not held public hearings related to the increase in assessed valuations by the Commission.

33. The issues raised by Petitioners arise out of the Commission’s actions in requiring Assessors to execute Memorandums of Understanding, withholding reimbursement funds from Counties that attempt to compromise or negotiate the Memorandums of Understanding or fail to execute the Memorandum of Understanding, requiring Boards of Equalization to extend their statutory appeals period past the July 31st deadline, issuing Equalization Orders requiring the Counties to increase assessment amounts in an arbitrary and capricious manner, all in excess of the Commission’s statutory authority.

34. In the past few years, the market value of real property has been unpredictable and volatile.

35. Near the end of 2024 and Spring of 2025, the Commission sent the Counties Memorandums of Understanding if the assessed property value was not within 90-110% of the market value of the property.

36. Upon information and belief, numerous counties in Missouri refused to sign the Memorandums of Understanding.

37. Audrain County, Pike County, Polk County, and Reynolds County were among the counties refusing to sign the Memorandums of Understanding to raise residential assessments between 12-15%.

38. DeKalb County was among the counties refusing to sign the Memorandums of Understanding to raise commercial assessments.

39. The increases proposed by the Commission contemplated increases of 12-15% on residential assessments and are arbitrary and not based on accurate data and if imposed will have an unequal and discriminatory impact on taxpayers within the respective Counties and will negatively impact taxpayers' abilities to stay in their homes.

40. Neither chapter 137 nor 138 requires counties to enter into Memorandums of Understanding with the Commission.

41. Article X, Section 3 of the Missouri Constitution requires that taxes shall be "uniform upon the same class or subclass of subjects within the territorial limits of the authority levying the tax." Mo. Const. Article X, § 3.

42. Article X, Section 3 of the Missouri Constitution states that "the methods of determining the value of property for taxation shall be fixed by law." Mo. Const. Article X, § 3.

43. Requiring a blanket 12-15% increase in residential assessments across a county is not a proper method of determining the value of property fixed by law.

44. Blanket 12-15% increases in residential assessments is arbitrary, is unsupported by the facts, and results in unjustified increases in residential assessments which are unsupported by each individual property.

45. Blanket 15% increases in commercial assessments is arbitrary, is unsupported by the facts, and results in unjustified increases in commercial assessments which are unsupported by each individual property.

46. In the summer of 2025, the Commission issued Equalization Orders to counties which refused to sign Memorandums of Understanding. ("Equalization Order"). The Equalization Orders ordered the Assessors, Clerks, and Boards of Equalization to increase assessments in varying amounts prior to the dates set by Section 137.055.1, RSMo.

47. The Equalization Orders require that an increase in assessments be conducted prior to September 20th. § 137.055.1, RSMo.

48. Pursuant to the Commission's Compliance Order Process, the Equalization Orders (referred to earlier in the Commission's process as "Assessment Orders") were to be issued on June 1, 2025.

49. The Assessors are responsible for assessing all real and personal property within their respective counties in accordance with Section 137.115, RSMo., and all applicable provisions of Chapter 137, RSMo.

50. The Assessors are authorized to "annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section." § 137.115.1, RSMo.

51. Assessment of real property for tax rolls occurs on a biennial basis, every odd-numbered year.

52. Pursuant to state law, a re-assessment was conducted in 2025.

53. The Assessors must determine new assessed values “as of January first of each odd-numbered year” and enter those values “in the assessor’s books.” § 137.115.1, RSMo. These “assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year.” *Id.*

54. Assessors must notify the property owner of any increase in the value of real property by June 15th “and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase.” § 137.180, RSMo.

55. Before an Assessor may increase the property valuation of a residential parcel by more than fifteen percent, excluding new construction or improvements, the Assessor must conduct a physical inspection. § 137.115.10. RSMo.

56. The physical inspection includes 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 as required by this section.” § 137.115.12 RSMo.

57. When a physical inspection is required, the Assessor must “notify the property owner of the fact in writing and shall provide the owner clear written notice of the owner’s rights relating to the physical inspection.” § 137.115.11, RSMo.

58. “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.” § 1337.115, RSMo.

59. A person who believes they are aggrieved by the assessment of property may appeal to the county board of equalization, however such appeal must be lodged with the county board of equalization on or before the second Monday in July. § 137.275, RSMo.

60. Every owner of real property or tangible property shall have the right to appeal from the local boards of equalization to the state tax commission. § 138.430, RSMo.

61. The Board of Adjustment of any county of the first, second, third, or fourth classification shall complete all business by July thirty-first. § 138.050, RSMo.

62. In Missouri, county clerks, including Audrain Clerk, DeKalb Clerk, Pike Clerk, Polk Clerk, and Reynolds Clerk, are required to submit to the governing bodies of political subdivisions a copy of the aggregate valuation for that political subdivision by the twentieth day of July each year. § 137.245, RSMo.

63. The members of a county board of equalization take an oath to impartially equalize the valuation of real estate and tangible property taxable by the county. § 138.030, RSMO.

64. During a Special Interim Committee on Property Tax Reform, Gregory Allsberry, Chief Counsel, of the Commission stated that “orders of the State Tax Commission supersede the desires of the local officials.”

Equalization Orders

65. The Equalization Orders issued by the Commission were not based on any appraisals or other factual basis specific to the properties of the county, and instead requested blanket increases to the taxpayers of the Counties.

66. The county assessor has the duty and responsibility to assess all real property in the County at market value.

67. The Commission has general supervision over Assessors within the state and over county boards of equalization and appeal in the performance of their duties.

68. Pursuant to §137.275, RSMo., the deadline for taxpayers to appeal to a county Board of Equalization, is on or before the second Monday in July.

69. For the 2025 calendar year, the second Monday in July was July 14, 2025.

70. Upon information and belief, the Commission's actions are an effort to force Clerks, Assessors, and Boards of Equalization to raise residential property assessments in an arbitrary and capricious manner without providing proper notice to the taxpayers affected by the increases.

71. Upon information and belief, Commission has been made aware of this timing issue regarding the required notice to taxpayers and has failed to address these concerns.

72. The Equalization Orders issued to the Counties are discriminatory and not uniform, in violation of constitutional and statutory provisions, including Missouri Constitution Article 1, § 2 and 10, U.S. Constitution, Amendment XIV, and §§ 138.380 and 138.390, RSMo.

73. The Equalization Orders were issued without any factual basis for the increases in assessments and require Assessors and Boards of Equalization to violate their authority under

Chapters 137 and 138, to wit, by increasing assessments without proper inspections being conducted.

74. Additionally, the amount of increase imposed by the respective Equalization Orders are not uniform between the counties of the state, and therefore are in excess of the Commission's authority.

75. Section 138.380, RSMo., gives the Commission the authority to raise or lower assessed valuations, however the Commission must first give notice of the intention to the taxpayers of a hearing to discuss such increases or reductions.

76. The Commission refused to exercise its authority to raise or lower assessments, but has ordered the Assessors, Clerks and Boards of Equalization to increase the residential real property assessments within the Counties without the Commission providing notice to the taxpayers of its intention to raise such assessed valuations and a time and place at which a hearing will be held.

Withholdings of State Funds

77. On May 28, 2025, the Commission voted to withhold per parcel reimbursement from Audrain County, Pike County, Polk County, and Reynolds County because of the Assessors' "unwillingness to sign a MOU."

78. The approved assessment maintenance plans do not include a requirement for the Counties to enter into a Memorandum of Understanding with the Commission in order to receive per parcel reimbursement.

79. If a county has an assessment maintenance plan approved, certain expenses of the assessor of each county shall be reimbursed by the state. § 137.750, RSMo.

80. No statute or regulation within the State of Missouri requires a County to sign a Memorandum of Understanding with the Commission in order to receive per parcel reimbursement.

81. Upon information and belief, despite having approved assessment maintenance plans, the Commission has withheld and plans to continue to withhold per parcel reimbursement from Audrain County, Pike County, Polk County, and Reynolds County solely due to the Counties' refusal to sign Memorandums of Understanding that are not authorized by law.

Extending BOE

82. On or about May 28, 2025, the Commission voted to issue Orders for the County Boards of Equalization to remain open until the fourth Saturday in August to allow the Commission time to evaluate Form 11 submitted by the County.

83. The fourth Saturday in August 2025 is August 23, 2025.

84. Clerks of counties in Missouri are required to submit Form 11 by July 20th of each year.

85. Upon adjournment of the board of equalization, county clerks then submit a Form 11A.

86. Form 11 and Form 11A are used to determine the total county assessed valuation for use of calculating tax levy amounts.

87. Political subdivisions of the State of Missouri, except counties and any political subdivisions located at least partially within any county with a charter form of government or any political subdivision located at least partially within any city not within a county, are required to fix their ad valorem property tax rates no later than September 1st for entry in the tax books. § 67.110, RSMo.

88. The decision of the Commission to order the respective Boards of Equalization to remain open to August 23, 2025, gives political subdivisions only five business days to fix their ad valorem property tax rates.

89. To fix ad valorem property tax rates a governing body is required to hold at least one public hearing on the proposed rates of taxes, and publish or post notice of such hearing at least seven days prior to the hearing date. § 67.110, RSMo.

90. Upon information and belief, in Counties some political subdivisions have already fixed their ad valorem property levy rates and such rates have been certified by the Missouri State Auditor.

91. Therefore, the decision of the Commission to order the respective Boards of Equalization remain open to the fourth Saturday in August prevents political subdivisions of the State of Missouri from providing proper notice of public hearings to fix ad valorem property tax rates.

Ratio Studies

92. The Commission uses ratio study to create an average assessment in relation to market value. Upon information and belief, Commission has failed to follow its requirements with respect to the ratio studies conducted in relation to Counties.

93. Upon information and belief, the Commission has not promulgated an adopted regulation in compliance with state law relating to ratio studies or any other methods with respect to sampling assessments within a county.

94. The ratio studies are conducted by the Local Assistance Section of the Commission.

95. Historically, the ratio studies conducted by the Commission consisted of the Commission performing appraisals of a random sample of properties within a county and comparing the appraisal values to the assessments.

96. Upon information and belief, the Commission limits its ratio studies to a review of reported residential sales within the county.

97. The International Association of Assessing Officers (“IAAO”) cautions that the use of sales ratio studies has limitations, such as:

- a. Sales prices can provide either useful or poor indications of market values. Sales must be screened to eliminate those that don’t meet the requirements of arm’s-length open-market sales;
- b. Sales are not “randomly selected” from the population, in the strict technical sense;
- c. Value-related characteristics of a sale sample may not represent all the value-related characteristics of the population; and
- d. Adjustments to sale prices may be difficult to support or may be subjective.

98. The findings of a ratio study are only as accurate as the data used in the study.

99. Without having adopted a standard methodology, the Commission will review 50 residential sales or 1% of total residential assessments within a county (whichever is greater).

100. Upon information and belief, to obtain data from 50 residential sales for a county, the Commission will include multiple years of sales in an effort to prevent actual appraisals within the Counties from being conducted.

101. Missouri is a non-disclosure state, in that all data from sales is self-reported by the buyers and sellers. Therefore, a sale is only reported to the Commission if the parties to the sale voluntarily report that data to the county officials.

102. The residential sales study does not include any appraisal data.

103. Appraisal data is only analyzed by the Commission if it is not provided 50 sales or 1% of total residential assessments.

104. If a county does not have enough sales in a time period, the Local Assistance Section will conduct a residential hybrid study where the sales that did occur will be analyzed and the remaining required information will be taken from random residential samples for appraisals.

105. Upon information and belief, the Local Assistance Section did not complete appraisals in any of the Counties.

106. The residential sales ratio studies conducted by the Commission demonstrate that price-related differentials are impacted by blanket increases to assessments, with low-value properties being assessed as a higher rate compared to their market value than high-value properties. An increase of 15% on residential assessments will adversely impact low-value properties and increase the disparity between taxpayers.

107. The use of blanket increases on residential properties is discriminatory, arbitrary, capricious, unreasonable, and constitutes an abuse of discretion.

Audrain County

108. On or about May 6, 2024, the Commission approved the assessment maintenance plan for Audrain County.

109. The Commission sent Memorandum of Understandings to counties within the state outlining steps the County must take to increase residential assessments.

110. The Commission presented a Memorandum of Understanding to Audrain County, Missouri which requested that the Audrain County Assessor re-evaluate and reassess properties within the County and impose a 12-15% increase in residential land values and improvements.

111. The Memorandum of Understanding stated that the 2023-2024 residential sales study resulted in 59.21% of market value.

112. Audrain County disputed the Commission's determination of market value.

113. Audrain County refused to sign the Memorandum of Understanding due to concerns of blanket inter-county taxation by the Commission.

114. Upon information and belief, on or about May 28, 2025, the Commission's Local Assistance Manager, Larry Jones, recommended to the Commission that the state assessment maintenance plan reimbursement funds for FY-2026 of \$51,275.40 be withheld from Audrain County.

115. On or about May 30, 2025, the Commission submitted a letter to the Audrain Assessor stating "state reimbursement monies will only be distributed to the county assessment fund if the county is in compliance with the State Tax Commission approved assessment maintenance plan."

116. The approved assessment maintenance plan does not provide for an increase of residential assessments of 15%.

117. On or about June 3, 2025, Audrain Assessor and the Audrain County Commission sent a letter to the Commission informing the Commission of their intention to increase residential land values by 12% for the 2025 tax year.

118. The increase by Audrain County was a good faith effort to comply with the Commission's requirements and prevent withholding of funding.

119. The increase by Audrain County was made in good faith to allow Audrian County to reach its goal of having a fair and equitable assessment.

120. The 12% increase was within the range of increase requested by the Commission in the proposed Memorandum of Understanding.

121. On or about June 16, 2025, the Commission responded to Audrain Assessor's good faith letter and stated that the Commission required "a minimum of 15% increase" in residential assessments.

122. The Commission's response letter also stated that "[a]ny assessor that fails to comply with the Assessment Maintenance Plan jeopardizes losing their Assessment Maintenance funds per Section 137.750, RSMo."

123. Despite attempting to comply in good faith with the Commission's unlawful, arbitrary and capricious requirements, the Commission instead stated that counties were required to increase residential assessments to the maximum extent possible, without having to conduct physical inspections.

124. During the 2025 assessment, the Commission claims that Audrain County increased residential assessments by only 3.18% over the previous assessment.

125. In reality, Audrain County made a good faith effort of increasing the residential land values in the county by 12%.

126. On or about July 8, 2025, the Commission issued an Equalization Order to the Audrain County Assessor, Audrain County Clerk, and Board of Equalization for Audrain County, demanding that the BOE increase assessment by an additional 10%.

127. Upon information and belief, if Audrain County were to comply with the Equalization Order, it would increase residential assessments 22%.

128. Any increase in residential property values by more than 15% requires physical inspection of the property, with notice to the property owner and thirty days to allow an owner to request an interior physical inspection. § 137.115, RSMo.

129. The timing of the Equalization Order to Audrain County makes it impossible for the Assessor, Clerk and Board of Equalization to comply with the Equalization Order and the law.

130. The timing of the Equalization Order makes it impossible for the Assessor to comply with the physical inspection requirements the Equalization Order would impose under Missouri law.

131. The Equalization Order was issued after the time period required for notification to property owners of any increase in the value of real property.

132. The Equalization Order exceeds the Commission's authority and is unlawful, unfair, improper, arbitrary and/or capricious concerning the properties and taxpayers located within Audrain County.

DeKalb County

133. The Commission issued a Memorandum of Understanding to DeKalb County, Missouri requesting that the DeKalb County Assessor re-evaluate and reassess properties within the County and provide a 13-15% increase in residential land values and improvements.

134. On or about February 18, 2025, the DeKalb County Assessor signed the Memorandum of Understanding relating to residential assessments.

135. DeKalb Assessor also signed the Memorandum of Understanding relating to commercial assessments in August 2023.

136. During the 2025 assessment, the Commission claims that DeKalb County increased commercial assessments 0.27% over the previous assessment.

137. On or about July 22, 2025, the Commission issued its Equalization Order to the DeKalb County Assessor, DeKalb County Clerk, and Board of Equalization for DeKalb County, demanding that the BOE increase commercial assessments by an additional 15%.

138. The Equalization Order was submitted to DeKalb County after the time period to provide aggregate valuations to political subdivisions.

139. Upon information and belief, political subdivisions within DeKalb County have already voted, adopted, and enacted their tax levy rates based on the assessment rates of DeKalb County.

140. Changing commercial assessments would negatively impact the political subdivision's tax levy rates.

141. The timing of the Equalization Order also makes it impossible for the Assessor to comply with the physical inspection requirements the Equalization Order would impose under Missouri law.

142. Additionally, the Equalization Order was submitted to DeKalb County after the time period for taxpayers to appeal their assessments to the DeKalb Board of Equalization.

143. The Equalization Order exceeds the Commission's authority and is unlawful, unfair, improper, arbitrary and/or capricious concerning the properties and taxpayers located within DeKalb County.

Pike County

144. Pike County has approximately 14,000 parcels.

145. The Commission issued a Memorandum of Understanding to Pike County, Missouri requesting that the Pike County Assessor conduct a Depreciation Study, Neighborhood Study and Land Study.

146. The Memorandum of Understanding requires Pike County Assessor to analyze the studies and “raise residential land values and residential improvements by 15%.”

147. The Memorandum of Understanding claimed that residential assessments consisted of 59.52% of market value.

148. Upon information and belief, the Commission’s comparison of Pike County assessments to market value was determined through ratio sales studies.

149. Upon information and belief, on or about May 28, 2025, the Commission’s Local Assistance Manager, Larry Jones, recommended to the Commission that the state assessment maintenance plan reimbursement funds for FY-2026 of \$47,180.10 be withheld from Pike County.

150. During the 2025 assessment, the Commission claims that Pike County decreased residential assessments 0.72% over the previous assessment.

151. Upon information and belief, the Local Assistance Section of the Commission did not base its calculation of Pike County’s residential assessments and market values on any appraisals conducted by the Commission.

152. On or about July 8, 2025, the Commission issued its Equalization Order to the Pike County Assessor, Pike Clerk, and Board of Equalization for Pike County, demanding that the Board of Equalization increase residential assessments by an additional 15%.

153. The Equalization Order was issued after the time period required for notification to property owners of any increase in the value of real property.

154. The timing of the Equalization Order makes it impossible for the Assessor to comply with the physical inspection requirements the Equalization Order would impose under Missouri law.

155. The Commission has the authority pursuant to § 138.380, RSMo., to increase assessments, with notice to taxpayers, however it has failed to exercise that authority.

156. The Equalization Order exceeds the Commission's authority and is unlawful, unfair, improper, arbitrary and/or capricious concerning the properties and taxpayers located within Pike County.

Polk County

157. The Commission issued to the Polk County Assessor a first Memorandum of Understanding which required a parcel-by-parcel review of the county and required an increase of residential land values and residential improvements by at least 14.99% for the 2025 County Assessment Roll.

158. The Polk County Assessor did not execute and submit the first Memorandum of Understanding to the Commission.

159. The Commission issued a second Memorandum of Understanding to Polk County, Missouri requesting that the Polk County Assessor conduct a Depreciation Study, Neighborhood Study and Land Study.

160. The Memorandum of Understanding requires Polk County Assessor to analyze the studies and "raise residential land values and residential improvements by at least 13% to 15%."

161. In the second Memorandum of Understanding the Commission acknowledged that if a residential property value was increased by more than 15% a physical inspection was required pursuant to § 137.115, RSMo.

162. The Polk County Assessor refused to sign the second Memorandum of Understanding due to concerns of blanket inter-county taxation by the Commission.

163. On or about January 7, 2025, Polk County submitted its quarterly expense list to the Commission as provided by the assessment maintenance plan approved by the Commission.

164. On or about March 25, 2025, Polk County communicated to the Commission that it had not received its reimbursement for the July, August, September 2024 quarterly assessment.

165. The Commission responded that Polk County's file was "here and good."

166. The Commission did not communicate to Polk County that its reimbursements were being withheld or the reason for these withholdings.

167. Two months later, on or about May 28, 2025, the Commission's Local Assistance Manager, Larry Jones, recommended to the Commission that the state assessment maintenance plan reimbursement funds for FY-2026 of \$65,406.00 be withheld and the remaining \$24,762.36 of FY-2025 be withheld from Polk County.

168. During the 2025 assessment, the Commission claims Polk County increased residential assessments 7.11% over the previous assessment.

169. On or about July 22, 2025, the Commission issued its Equalization Order to the Polk County Assessor, Polk County Clerk, and Board of Equalization for Polk County, demanding that the BOE increase assessment by an additional 8%.

170. The Equalization Order was submitted to Polk County after the time period to provide aggregate valuations to political subdivisions.

171. Upon information and belief, political subdivisions within Polk County have already voted, adopted, and enacted their tax levy rates based on the assessment rates of Polk County.

172. Changing residential assessments would negatively impact the political subdivision's tax levy rates.

173. The Equalization Order was issued after the time period required for notification to property owners of any increase in the value of real property.

174. The timing of the Equalization Order makes it impossible for the Assessor to comply with the physical inspection requirements the Equalization Order would impose under Missouri law.

175. The Equalization Order exceeds the Commission's authority and is unlawful, unfair, improper, arbitrary and/or capricious concerning the properties and taxpayers located within Polk County.

Reynolds County

176. The Commission issued a Memorandum of Understanding to Reynolds County, Missouri requesting that the Reynolds Assessor conduct a Depreciation Study, Neighborhood Study and Land Study.

177. The Memorandum of Understanding requires Reynolds County Assessor to analyze the studies and "raise residential land values and residential improvements by 15%."

178. The Reynolds Assessor did not sign the Memorandum of Understanding due to concerns of blanket inter-county taxation by the Commission.

179. Upon information and belief, on or about May 28, 2025, Commission's Local Assistance Manager, Larry Jones, recommended to the Commission that the state assessment maintenance plan reimbursement funds for FY-2025 of \$34,329.90 and FY-2026 of \$34,527.90 be withheld from Reynolds County.

180. On or about May 30, 2025, the Commission submitted a letter to the Reynolds Assessor stating "state reimbursement monies will only be distributed to the county assessment

fund if the county is in compliance with the State Tax Commission approved assessment maintenance plan.”

181. The approved assessment maintenance plan does not include an increase of residential assessments of 15%.

182. The letter stated that the Commission evaluates the accuracy and uniformity of a county’s assessments through the use of ratio studies.

183. Upon information and belief, the ratio study conducted by the Commission did not include 50 sales of property.

184. Upon information and belief, the Commission’s threat to withhold state reimbursement monies was based on the 2023 Reynolds Residential Sales Study.

185. Upon information and belief, the 2023 Reynolds Residential Sales Study was based on 49 sales.

186. Upon information and belief, the 49 sales reviewed by the Commission occurred between May 2020 to December 2023.

187. The Commission acknowledged that the 2023 Reynolds Residential Sales Study was based on only 1 sale of property in 2023, the remaining data came from sales occurring between 2020 and 2022.

188. Upon information and belief, the Commission is using this outdated sales data to withhold state reimbursement from Reynolds County.

189. Upon information and belief, the Commission did not conduct any appraisals of property within Reynolds County.

190. During the 2025 assessment, the Commission claims that Reynolds County residential assessments 0.06% over the previous assessment.

191. Upon information and belief, the Commission did not communicate how it calculated the increase of .06% increase in assessments.

192. On or about July 22, 2025, the Commission issued its Equalization Order to the Reynolds County Assessor, Reynolds County Clerk, and Board of Equalization for Reynolds County, demanding that the BOE increase assessment by an additional 15%.

193. The Equalization Order was submitted to Reynolds County after the time period to provide aggregate valuations to political subdivisions.

194. Upon information and belief, political subdivisions within Reynolds County have already voted, adopted, and enacted their tax levy rates based on the assessment rates of Reynolds County.

195. Changing residential assessments would negatively impact the political subdivision's tax levy rates.

196. The Equalization Order was issued after the time period required for notification to property owners of any increase in the value of real property.

197. The timing of the Equalization Order makes it impossible for the Assessor to comply with the physical inspection requirements the Equalization Order would impose under Missouri law.

198. The Equalization Order exceeds the Commission's authority and is unlawful, unfair, improper, arbitrary and/or capricious concerning the properties and taxpayers located within Reynolds County.

Counties

199. The actions of the Commission are discriminatory, unlawful, arbitrary, capricious, and unsupported by the facts and data, in that the Equalization Order issued to Counties include a

required increase to assessments significantly greater than the required increases for similar properties located within other counties within the State of Missouri.

200. The actions of the Commission are discriminatory to taxpayers within the Counties in that the Equalization Orders require an increase in assessments without regard to the current assessment of individual properties.

201. The Equalization Orders specifically are discriminatory to taxpayers owning low-value properties in that a 15% increase will cause those properties to be assessed higher as compared to their market value than other properties within the Counties.

202. Additionally, if Counties were to appraise properties within their counties at the amounts ordered by the Commission, its properties would be appraised significantly greater than the appraisal ratios for similar properties located within a majority of other counties within the State of Missouri.

203. The Commission's Equalization Orders described in this Petition exceed its authority and are unlawful, unfair, improper, arbitrary and/or capricious concerning the properties and taxpayers located within Counties.

204. On information and belief, the Commission has failed to perform timely and accurately perform and order inter-county equalization, as mandated by the Missouri Constitution and the Commission's governing statutes which include Missouri Constitution, Article X, Section 14 and §§ 138.380 and 138.390, RSMo.

205. The Commission has stated an intention to continue to withhold funds from the Counties due to their refusal to raise assessments without factual basis.

206. The Commission's decision to without reimbursement to the Counties is unlawful and improper.

COUNT I: Judicial Review

207. Counties incorporate by reference paragraphs 1 through 206 above.

208. The actions of Commission set out above are unlawful and in violation of the Missouri Constitution, the U.S. Constitution, and Missouri statutes, including Missouri Constitution Article 1, §§ 2, 10, 14; U.S. Constitution, Amendment XIV and §§ 138.380 and 138.390, RSMo., are unsupported by competent and substantial evidence upon the whole record, are arbitrary, capricious and unreasonable, and are an abuse of discretion.

209. The decision of the Commission in issuing Equalization Orders to Counties should be reversed or vacated in that:

- a. The issuance of the Equalization Orders constitutes discriminatory treatment of real estate within the Counties by the Commission;
- b. The issuance of the Equalization Orders were in excess of the Commission's statutory authority;
- c. The issuance of the Equalization Orders were unsupported by facts and data;
- d. The issuance of the Equalization Orders were arbitrary, capricious, unreasonable, and constitutes an abuse of discretion; and
- e. The issuance of the Equalization Orders is unlawful.

210. The decision of Commission in withholding state reimbursement funds to the Counties should be reversed or vacated in that:

- f. The withholding of state reimbursement funds is in excess of the Commission's statutory authority;
- g. The withholding of state reimbursement funds is unsupported by the facts or Missouri law;

- h. The withholding of state reimbursement funds is arbitrary, capricious, unreasonable, and constitutes an abuse of discretion; and
 - i. The withholding of state reimbursement funds is unlawful.
211. The decision of the Commission ordering the Boards of Equalization to remain in session past its statutory period of time should be reversed or vacated in that:
- j. The extension of the Board of Equalization statutory authorized appeal period is in excess of the Commission's statutory authority;
 - k. Such decision of the Commission was in excess of the Commission's statutory authority;
 - l. Such decision of the Commission is unsupported by the facts or Missouri law;
 - m. Such decision of the Commission is arbitrary, capricious, unreasonable, or constitutes an abuse of discretion; and
 - n. Such decision of the Commission is unlawful.

WHEREFORE, the Counties, respectfully request this Court declare that the Equalization Orders are discriminatory and not uniform when compared to Equalization Orders in other jurisdictions; the Commission does not have the authority to issue intra-county orders such as the Equalization Orders; the Equalization Orders issued by the Commission are unlawful, arbitrary, and capricious and therefore void and invalid; award Counties their reasonable attorneys' fees; and such further and other relief as the court deems appropriate, including costs.

COUNT II: Declaratory Judgment

212. Counties incorporate by reference paragraphs 1 through 211 above.

213. A justiciable controversy exists between the parties concerning the issue of whether the Commission has the authority to issue the Equalization Orders and the facts upon which the Equalization Orders are based.

214. A justiciable controversy exists between the parties concerning:

- a. whether the Equalization Order constitutes discriminatory treatment of real estate within the Counties by the Commission in violation of the law;
- b. Issuance of the Equalization Orders were in excess of the Commission's statutory authority;
- c. Issuance of the Equalization Orders is unsupported by the facts and data;
- d. Issuance of the Equalization Orders is arbitrary, capricious, unreasonable, and constitutes an abuse of discretion; and
- e. Issuance of the Equalization Orders is unlawful;
- f. The decision of the Commission to withhold state reimbursement funds to the Counties is not authorized and unsupported by the facts and law, is arbitrary, capricious, unreasonable, an abuse of discretion, and is unlawful based on the assessment maintenance plan and section 137.750, RSMo.

215. Additionally, the Commission by and through its actions has created circumstances where the Commission is requiring additional duties and responsibilities of the Counties without providing additional funding to execute such duties and responsibilities.

216. Counties have a legally protectable interest at stake which includes the fair, impartial, and nondiscriminatory assessment of real or tangible personal property by the

Commission provided that the Commission must provide notice of the intention to raise such assessed valuation and the time and place at which a hearing will be held.

217. The issues presented are appropriate and ripe for judicial resolution.

WHEREFORE, the Counties, respectfully request this Court declare that the Equalization Orders are discriminatory and not uniform; the Equalization Orders are in excess of the Commission's statutory authority; the Equalization Orders are unsupported by the facts and data; the Commission does not have the authority to issue intra-county orders such as the Equalization Orders; the Equalization Orders issued by the Commission are unlawful, arbitrary, and capricious, and constitute an abuse of discretion and are therefore void and invalid; award Counties their reasonable attorneys' fees; and such further and other relief as the court deems appropriate, including costs.

COUNT III: Temporary Restraining Order

218. Counties incorporate by reference paragraphs 1 through 217 above.

219. Upon information and belief, the Commission has withheld funds from Counties due to the assessment issue.

220. Upon information and belief, the Commission's actions in withholding funds will cause immediate and irreparable injury, loss, or damage to the counties and taxpayers.

221. Additionally, the Commission ordering Clerks, Assessors, and Boards of Equalization to increase assessments through Equalization Orders without providing notice to taxpayers or giving taxpayers the opportunity to request physical inspections will cause immediate and irreparable injury, loss, or damage to the counties and taxpayers.

222. The Commission's actions referred to in this Petition, exceed its authority and are unlawful, unfair, improper, discriminatory, arbitrary and/or capricious concerning the properties and taxpayers located within Counties.

223. Counties have no adequate remedy at law to protect against the injuries alleged herein.

224. Counties desire to maintain the status quo by enjoining the Commission from withholding funds until an Order by this Court is issued on the preliminary injunction.

225. Counties desire to maintain the status quo by enjoining the Commission's Equalization Orders requiring Assessors to increase assessments within the Counties.

226. Counties desire to maintain the status quo by enjoining the Commission's enforcement of the Equalization Orders.

227. Counties have a strong likelihood of success on the merits of their claims as set forth in this Petition.

228. If the temporary restraining order were to be granted, the injury, if any, to Commission would be minimal.

229. The harm to Counties if an injunction is not granted is substantial and material.

WHEREFORE, the Counties, respectfully request this Court to enter an order granting Counties a Temporary Restraining Order, enjoining Commission from withholding funds from Counties, enjoining the actions required in the Equalization Orders issued by Commission, and enjoining the Commission from enforcement of the Equalization Orders, for court costs, and for such other and further relief as the court deems proper under the circumstances.

COUNT IV: Preliminary Injunction

230. Counties incorporate by reference paragraphs 1 through 229 above.

231. The Commission's actions referred to in this Petition, exceed its authority and are unlawful, unfair, improper, discriminatory, arbitrary and/or capricious concerning the properties and taxpayers located within Counties.

232. Counties have no adequate remedy at law to protect against the injuries alleged herein.

233. Counties desire to maintain the status quo by enjoining the Commission from withholding funds until an Order by this Court is issued on the preliminary injunction.

234. Counties desire to maintain the status quo by enjoining the Commission's Equalization Orders requiring Clerks, Assessors, and Boards of Equalization to increase assessments within the Counties.

235. Counties desire to maintain the status quo by enjoining the Commission's enforcement of the Equalization Orders.

236. Without entry of a preliminary injunction Counties have no adequate remedy at law to protect its interest against Commission.

237. Without entry of a preliminary injunction, Counties have been and will continue to be subject to immediate and irreparable injury, loss, or damage if Commission's actions are permitted to continue.

238. If the preliminary injunction were to be granted, the injury, if any, to Commission would be minimal.

239. The harm to Counties if an injunction is not granted is substantial and material.

WHEREFORE, the Counties, respectfully request this Court to enter an order granting Counties a Preliminary Injunction Order, enjoining Commission from withholding funds from Counties, enjoining the actions required in the Equalization Orders issued by Commission, and enjoining the Commission from enforcement of the Equalization Orders, for court costs, and for such other and further relief as the court deems proper under the circumstances.

COUNT V: Permanent Injunction

240. Counties incorporate by reference paragraphs 1 through 239 above.

241. The Commission's actions referred to in this Petition, exceed its authority and are unlawful, unfair, improper, discriminatory, arbitrary and/or capricious concerning the properties and taxpayers located within Counties.

242. Counties have no adequate remedy at law to protect against the injuries alleged herein.

243. Counties desire to maintain the status quo by enjoining the Commission from withholding funds until an Order by this Court is issued on the preliminary injunction.

244. Counties desire to maintain the status quo by enjoining the Commission's Equalization Orders requiring Clerks, Assessors, and Boards of Equalization to increase assessments within the Counties.

245. Counties desire to maintain the status quo by enjoining the Commission's enforcement of the Equalization Orders.

246. Without entry of a permanent injunction Counties have no adequate remedy at law to protect its interest against Commission.

247. Without entry of a permanent injunction, Counties have been and will continue to be subject to immediate and irreparable injury, loss, or damage if Commission's actions are permitted to continue.

248. If the permanent injunction were to be granted, the injury, if any, to Commission would be minimal.

249. The harm to Counties if an injunction is not granted is substantial and material.

WHEREFORE, the Counties, respectfully request this Court to enter an order granting Counties a Permanent Injunction Order, enjoining Commission from withholding funds from Counties, enjoining the actions required in the Equalization Orders issued by Commission, and enjoining the Commission from enforcement of the Equalization Orders, for court costs, and for such other and further relief as the court deems proper under the circumstances.

Respectfully Submitted,

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