

HCS SS SCS SB 960 -- PROPERTY TAX REASSESSMENTS

This bill makes technical changes to various provisions of the property tax law in House Bill 1150 enacted in 2002. It clarifies that the inflationary growth factor allowed to be applied for each class or subclass of property upon reassessment may differ among the types of property. The limit for growth will be equal to the actual assessment in the class or subclass. However, the net limit for the political subdivision will still be the Consumer Price Index or 5%, as mandated by the Missouri Constitution.

The bill prevents the rollback calculation of the rates for the four classes of property from causing a roll-up of the personal property tax rate. When a rate must be revised-up to hold the political subdivision harmless after making the above calculation, the revision will be weighted based on the relative assessed valuation of the class or subclass of the property.

All existing and any future rules or forms interpreting the rate calculation in Section 137.073, RSMo, must be promulgated by rule and not incorporated into a rule by reference.

The City of St. Louis and counties other than St. Louis County are allowed to opt-out of the provisions of House Bill 1150. Current law makes these provisions effective January 1, 2005, but the bill changes the effective date to October 1, 2004, but then allows an opt-out provision before January 1, 2005. Once the provisions of House Bill 1150 are implemented in a county in a year of general reassessment, the county cannot opt-out. Any county that does opt-out may opt-in at a later date. If a political subdivision lies on the border of two or more counties and one of those counties has opted out without the others doing so, the governing body of the political subdivision must calculate a single blended rate for the school districts in the political subdivision.

The percentage taken from property tax collections for deposit into the county assessment fund is increased 1/8 of 1% in counties of the first classification, counties with a charter form of government, and the City of St. Louis to a maximum additional amount of \$100,000 in any year for any county. In counties of the second, third, and fourth classification, an additional one-quarter of 1% will be deducted from the collections of all ad valorem property tax, not to exceed \$50,000 in any year for any county. The additional portion of property tax collections deposited into the county assessment funds will not be required when the State Tax Commission certifies an equivalent sales ratio for the county of less than or equal to 31 2/3% of the provisions of Section 138.395, RSMo. The State

Tax Commission is required to conduct a study in four years after the bill becomes effective, to determine the impact of increased fees on assessed valuation. This subsection has an expiration date of December 31, 2009.