

HOUSE JOINT RESOLUTION NO. 23

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LOVASCO.

1135H.011

DANA RADEMAN MILLER, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing Sections 4(a), 4(b), 4(c), 6, and 12(a) of Article X of the Constitution of Missouri, and adopting six new sections in lieu thereof relating to personal property taxes.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2020, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to Article X of the Constitution of the state of Missouri:

Section A. Sections 4(a), 4(b), 4(c), 6, and 12(a), Article X, Constitution of Missouri, are repealed and six new sections adopted in lieu thereof, to be known as Sections 4(a), 4(b), 4(c), 4(e), 6, and 12(a), to read as follows:

Section 4(a). All taxable property shall be classified for tax purposes as follows: class 1, real property; class 2, ~~tangible personal property~~; ~~class 3,~~ intangible personal property. The general assembly, by general law, may provide for further classification within ~~classes~~ **class** 2 ~~and 3~~, based solely on the nature and characteristics of the property, and not on the nature, residence or business of the owner, or the amount owned. Nothing in this section shall prevent the taxing of franchises, privileges or incomes, or the levying of excise or motor vehicle license taxes, or any other taxes of the same or different types.

Section 4(b). Property in ~~classes~~ **class** 1 ~~and 2~~ and subclasses of ~~those classes~~ **such class**, shall be assessed for tax purposes at its value or such percentage of its value as may be fixed by law for each class and for each subclass. Property in class ~~3~~ **2** and its subclasses shall

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

4 be taxed only to the extent authorized and at the rate fixed by law for each class and subclass,
5 and the tax shall be based on the annual yield and shall not exceed eight percent thereof.
6 Property in class 1 shall be subclassed in the following classifications:

7 (1) Residential property;

8 (2) Agricultural and horticultural property;

9 (3) Utility, industrial, commercial, railroad, and all other property not included in
10 subclasses (1) and (2) of class 1.

11

12 Property in the subclasses of class 1 may be defined by law, however subclasses (1), (2), and (3)
13 shall not be further divided, provided, land in subclass (2) may by general law be assessed for
14 tax purposes on its productive capability. The same percentage of value shall be applied to all
15 properties within any subclass. No classes or subclass shall have a percentage of its true value
16 in money in excess of thirty-three and one-third percent.

Section 4(c). All taxes on property in class ~~[3]~~ 2 and its subclasses, and the tax under any
2 other form of taxation substituted by the general assembly for the tax on bank shares, shall be
3 assessed, levied and collected by the state and returned as provided by law, less two percent for
4 collection, to the counties and other political subdivisions of their origin, in proportion to the
5 respective local rates of levy.

**Section 4(e). No county or other political subdivision shall be authorized to levy or
2 collect a tax on tangible personal property.**

Section 6. ~~[1-]~~ All property ~~[-real and personal,]~~ of the state, counties and other political
2 subdivisions, and nonprofit cemeteries, and all real property used as a homestead as defined by
3 law of any citizen of this state who is a former prisoner of war, as defined by law, and who has
4 a total service-connected disability, shall be exempt from taxation; ~~[all personal property held
5 as industrial inventories, including raw materials, work in progress and finished work on hand,
6 by manufacturers and refiners, and all personal property held as goods, wares, merchandise,
7 stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or
8 establishments shall be exempt from taxation;]~~ and all property ~~[-real and personal,]~~ not held for
9 private or corporate profit and used exclusively for religious worship, for schools and colleges,
10 for purposes purely charitable, for agricultural and horticultural societies, or for veterans'
11 organizations may be exempted from taxation by general law. In addition to the above,
12 household goods, furniture, wearing apparel and articles of personal use and adornment owned
13 and used by a person in his home or dwelling place may be exempt from taxation by general law
14 but any such law may provide for approximate restitution to the respective political subdivisions
15 of revenues lost by reason of the exemption. All laws exempting from taxation property other
16 than the property enumerated in this article, shall be void. ~~[The provisions of this section~~

17 ~~exempting certain personal property of manufacturers, refiners, distributors, wholesalers, and~~
18 ~~retail merchants and establishments from taxation shall become effective, unless otherwise~~
19 ~~provided by law, in each county on January 1 of the year in which that county completes its first~~
20 ~~general reassessment as defined by law.~~

21 ~~——— 2. All revenues lost because of the exemption of certain personal property of~~
22 ~~manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments shall~~
23 ~~be replaced to each taxing authority within a county from a countywide tax hereby imposed on~~
24 ~~all property in subclass 3 of class 1 in each county. For the year in which the exemption becomes~~
25 ~~effective, the county clerk shall calculate the total revenue lost by all taxing authorities in the~~
26 ~~county and extend upon all property in subclass 3 of class 1 within the county, a tax at the rate~~
27 ~~necessary to produce that amount. The rate of tax levied in each county according to this~~
28 ~~subsection shall not be increased above the rate first imposed and will stand levied at that rate~~
29 ~~unless later reduced according to the provisions of subsection 3. The county collector shall~~
30 ~~disburse the proceeds according to the revenue lost by each taxing authority because of the~~
31 ~~exemption of such property in that county. Restitution of the revenues lost by any taxing district~~
32 ~~contained in more than one county shall be from the several counties according to the revenue~~
33 ~~lost because of the exemption of property in each county. Each year after the first year the~~
34 ~~replacement tax is imposed, the amount distributed to each taxing authority in a county shall be~~
35 ~~increased or decreased by an amount equal to the amount resulting from the change in that~~
36 ~~district's total assessed value of property in subclass 3 of class 1 at the countywide replacement~~
37 ~~tax rate. In order to implement the provisions of this subsection, the limits set in section 11(b)~~
38 ~~of this article may be exceeded, without voter approval, if necessary to allow each county listed~~
39 ~~in section 11(b) to comply with this subsection.~~

40 ~~——— 3. Any increase in the tax rate imposed pursuant to subsection 2 of this section shall be~~
41 ~~decreased if such decrease is approved by a majority of the voters of the county voting on such~~
42 ~~decrease. A decrease in the increased tax rate imposed under subsection 2 of this section may~~
43 ~~be submitted to the voters of a county by the governing body thereof upon its own order,~~
44 ~~ordinance, or resolution and shall be submitted upon the petition of at least eight percent of the~~
45 ~~qualified voters who voted in the immediately preceding gubernatorial election.~~

46 ~~——— 4. As used in this section, the terms "revenues lost" and "lost revenues" shall mean that~~
47 ~~revenue which each taxing authority received from the imposition of a tangible personal property~~
48 ~~tax on all personal property held as industrial inventories, including raw materials, work in~~
49 ~~progress and finished work on hand, by manufacturers and refiners, and all personal property~~
50 ~~held as goods, wares, merchandise, stock in trade or inventory for resale by distributors,~~
51 ~~wholesalers, or retail merchants or establishments in the last full tax year immediately preceding~~

52 ~~the effective date of the exemption from taxation granted for such property under subsection 1~~
53 ~~of this section, and which was no longer received after such exemption became effective.]~~

Section 12(a). In addition to the rates authorized in section 11 for county purposes, the
2 county court in the several counties not under township organization, the township board of
3 directors in the counties under township organization, and the proper administrative body in
4 counties adopting an alternative form of government, may levy an additional tax, not exceeding
5 fifty cents on each hundred dollars assessed valuation, all of such tax to be collected and turned
6 in to the county treasury to be used for road and bridge purposes; provided that, before any such
7 county may increase its tax levy for road and bridge purposes above thirty-five cents it must
8 submit such increase to the qualified voters of that county at a general or special election and
9 receive the approval of a majority of the voters voting on such increase. In addition to the above
10 levy for road and bridge purposes, it shall be the duty of the county court, when so authorized
11 by a majority of the qualified electors of any road district, general or special, voting thereon at
12 an election held for such purpose, to make an additional levy of not to exceed thirty-five cents
13 on the hundred dollars assessed valuation on all taxable real ~~[and tangible personal]~~ property
14 within such district, to be collected in the same manner as state and county taxes, and placed to
15 the credit of the road district authorizing such levy, such election to be called and held in the
16 manner provided by law provided that the general assembly may require by law that the rates
17 authorized herein may be reduced.

✓