

HB 1710 -- TAXATION OF PROPERTY

SPONSOR: Eggleston

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 7 to 0. Voted "Do Pass" by the Standing Committee of Rules- Legislative Oversight by a vote of 8 to 2.

This bill modifies several provision relating to taxation of property.

ASSESSOR OF ST. LOUIS CITY

This bill repeals an exemption that allows the assessor of St. Louis City to not be a resident of St. Louis City. Additionally, this bill requires the assessor to be elected (Sections 53.010 and 82.550, RSMo).

BURDEN OF PROOF AT ANY HEARING OR APPEAL OF THE ASSESSMENT

The bill makes it so the burden of proof, supported by clear, convincing evidence to sustain such valuation, will be on the assessor at any hearing or appeal of the valuation of residential real property in any first class county, charter county, or the City of St. Louis (Sections 137.115 and 138.060)

LIMITATION ON INCREASES TO THE VALUES OF REAL PROPERTY

Currently, before any assessor may increase the value of residential real property more than 15% since the last assessment, the assessor must conduct a physical assessment of the property. This bill changes the increase to 10%, as defined in the bill. Additionally, the assessor may not increase the value of any real property by more than 10% from the most recent assessed valuation unless the increase is due to new construction or improvements (Section 137.115).

APPEALS TO THE BOARD OF EQUALIZATION IN FIRST CLASS COUNTIES

This bill changes the deadline to appeal valuation of property to the board of equalization in first class counties from the third Monday in June to the second Monday in July (Section 137.385).

PROPONENTS: Supporters say that this bill is the result of a special interim committee's findings and the previous assessment cycle in Jackson County. Supporters claim that the bill addresses the need for all county assessors to be elected and places the burden of proof on them to prove that their value is correct.

Additionally, supporters said that this bill standardizes the deadline in which appeals must be made to each county's board of equalization, and requirements for physical inspection of homes. Supporters also claimed that this bill limited increases to assessed values of residential real property.

Testifying for the bill was Representative Eggleston.

OPPONENTS: Those who oppose the bill say that this bill makes wide changes across the state and increases the burden for all assessors in response to one county's assessment. Additionally, opponents stated that while the assessment in Jackson County was not an ideal assessment, many counties' assessments currently operate well under the current law that requires assessed property to be based on market values. Opponents also say that by limiting the growth in assessed values of properties, funding to schools will be limited for operating costs.

Testifying against the bill were Missouri State Teachers Association; Northwest R-I School District; Parkway School District; Missouri National Education Association; Stifel; The Civic Council of Greater Kansas City; Kansas City Public Schools; Raytown C-2 School District; Independence School District; Dr. Terry Ward; Missouri Association of School Administrators; and Missouri Association of School Administrators.

OTHERS: Others testifying on the bill say that capping the growth of assessed value could make assessors noncompliant with the State Tax Commission's ratio requirement.

Testifying on the bill was Missouri State Assessors Association.