

HCS HB 248 -- PROPERTY TAX ASSESSMENTS

SPONSOR: Coleman (32)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 12 to 1.

The following is a summary of the House Committee Substitute for HB 248.

This bill makes the true value of residential real property the previous assessed valuation of the property or the value of which the property was sold since its most recent assessment. The purchaser of any such property must send to the assessor a notarized certificate of value or other notarized document that clearly states the fair market value of the property. Such valuation may increase over time contingent on a value increase resulting from inflation or 10%, whichever is less, or value added to the property as a result of new construction or improvements.

This bill specifies that, if residential real property has been sold since its most recent assessment and the newly assessed true value of such property would be decreased by 20% or more as a result of the sale, then the newly assessed true value of such property will be presumed incorrect and the true value of such property will instead be deemed to be the assessed value of the property immediately before the property was sold.

This bill will not affect the ability of any county assessor to decrease the value of any residential real property.

This bill has an effective date contingent on the passage of an amendment to the Constitution of Missouri allowing for a statutory limitation on the amount by which the assessed value of residential real property may be increased.

This bill is similar to HB 1860 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that the current system of assessing values on residential property is broken. Assessors are not currently placing the correct values on residential properties and appealing assessed values are time consuming, arbitrary, and can be expensive. This bill fixes the system by tying values to sales and

allows for increases based on inflation rather than a subjective value.

Testifying for the bill were Representative Coleman; William Mashburn; and Preston Smith.

OPPONENTS: Those who oppose the bill say that this bill will actually distort property values rather than place the correct value on properties and we should look at renewing the Homestead Preservation Act rather than this. Additionally, this bill hurts schools because they depend on property taxes for a significant source of revenue and limits their bonding capacity.

Testifying against the bill were Arnie Dienoff and the Missouri Association of School Administrators.

OTHERS: Others testifying on the bill say that the bill should include a penalty provision to ensure that purchasers of property send a certificate of value to their assessor.

Testifying on the bill was Missouri State Assessors Association.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.