

HCS HJR 43 -- REAL PROPERTY TAX REVENUE LIMITATIONS

SPONSOR: Sutherland (Portwood)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 7 to 0 with 1 present.

Upon voter approval, this proposed constitutional amendment alters the rollback requirement for the Hancock Amendment by requiring the current levy, not the maximum authorized levy, to be reduced to yield the same gross revenue for existing property as before an increase in assessed valuations, with an adjustment for changes in the general price level.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the problem for the past eight years has been property tax and how to reform it. There are two ways to fix the problem either Chapter 137, RSMo, tax rate ceiling changes, subject to a constitutional challenge, or this bill. The bill amends Section 22 of Article X of the Missouri Constitution to require a county to roll back the levy when the tax increase is more than the federal Consumer Price Index. Schools are inflating their tax ceiling so they don't need to roll back. The State Tax Commission assisted with the bill, based on a recommendation by the Property Tax Taskforce. The taskforce meetings showed the serious concerns of constituents, especially in the St. Louis area. The elderly and hard-working, middle-class people want to pay their tax, but are having a hard time doing so. The bill removes "maximum allowable" so the current tax levy is used to determine any roll back. Political subdivisions will still be able to grow but within its means like the people they serve.

Testifying for the bill were Representatives Portwood and Lembke.

OPPOSERS: Those who oppose the bill say that the bill will have a negative impact on revenue for schools. The main source of school revenue comes from assessed valuations. Energy costs, retirement, and healthcare are growing faster than the cost of living. The bill freezes the revenue in each community. The average city gets 10% of its revenue from property tax. Some districts with a sales tax base may be higher. Libraries, road districts, and fire districts could lose funding.

Testifying against the bill were Roger Kurtz, Missouri Association of School Administrators, School Administrators Coalition, Missouri National Education Association, Missouri State Teachers Association, Cooperating School Districts of

Greater Kansas City; Missouri School Boards Association; and
Missouri Municipal League.