

HB 1894 -- PROPERTY ASSESSMENTS

SPONSOR: Schroer

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

This bill requires each county assessor to make an annual report, due by April 1, to the State Tax Commission providing a summary update of property assessments made in the county. The report must include information detailing how any bank-owned and foreclosed property affected the valuations of other assessed property. Additionally, the State Tax Commission will review and summarize these reports into a single abbreviated report that will be provided to the General Assembly no later than July 1 (Section 53.115, RSMo).

This bill specifies that whenever an assessor increases the value of any real property by more than 3% and the assessment is appealed to the County Board of Equalization, the County Commission, or a court of this state, the assessment will be presumed to be an error and will be subject to modification. The assessor will have the burden to prove the assessment is correct and may overcome this burden by presenting clear and convincing evidence that the assessed value does not exceed the true market value of the property (Section 137.181).

PROPONENTS: Supporters say that this bill would require assessors to show how they arrived at their assessed value if a value is appealed. Additionally, supporters claimed that certain commercial properties have experienced large increases in assessed values because of changes in the methodology in which assessors have assessed values and this bill would assist these properties.

Testifying for the bill were Representative Schroer; Missouri Limestone Producers Association; and Associated Industries Of Missouri.

OPPONENTS: Those who oppose the bill say that this bill would increase the amount of appeals of assessed values. Additionally, it was claimed that assessors would need access to certificates of values in every county in order to make sure that values are truly representative of market value. It was also claimed that this bill could place assessors out of compliance with the State Tax Commission's ratio requirement. Finally, opponents said that the bill does not exclude new construction in the 3% cap that would trigger the assessor's burden to prove that the assessment does not

exceed the true market value.

Testifying against the bill were Missouri State Assessors Association; and Missouri Association of School Administrators.