

HCS HB 1907 -- PROPERTY TAX

SPONSOR: Christofanelli

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- Legislative Oversight by a vote of 9 to 1.

The following is a summary of the House Committee Substitute for HB 1907.

Currently, stationary property used for transportation or storage of liquid and gaseous products is defined as real property. This bill redefines these items, excluding propane and LP gas equipment, as tangible personal property and their value subject to a standardized depreciation table, as defined in the bill.

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 without the standardization provided by the bill, differing depreciation schedules used by different county assessors would lead to uneven rates for consumers that utilize the end products that are transported in these properties.

Additionally, supporters claimed that the change in the bill is the phrase used to define pipes and it makes sense to define this property as personal property since these pipes are not land.

Testifying for the bill were Representative Christofanelli; Missouri American Water; Matthew Landwehr, Thompson Coburn LLP; Associated Industries of Missouri; and Spire Missouri.

OPPONENTS: Those who oppose the bill say that switching the property to personal property speeds up the depreciation values of the property.

Opponents also claimed that the loss of assessed value would hurt bonding efforts of schools through levies and that the tax burden would be shifted onto others owning property in the taxing jurisdiction.

Testifying against the bill were School Administrators Coalition; Wendy Nordwald, Missouri Association of Counties and Missouri Association of Assessors.

OTHERS: Others testifying on the bill say that propane and LP gas equipment industries have an agreement with the State Tax Commission and would prefer to continue having such property defined as real property.

Testifying on the bill was Missouri Propane Gas Association.