

SJR 35 -- PROPERTY TAXES

SPONSOR: Schroer

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Tax Reform by a vote of 8 to 3. Motion to "Do Pass- failed" by the Standing Committee on Rules- Legislative Oversight by a vote 1 to 7.

Currently, a county has to levy a replacement tax on all real property that is not residential, agricultural, or horticultural in order to replace revenue lost due to the exemption from property tax of certain personal property, and such tax has to be decreased if approved by a majority of voters in such county. This Constitutional amendment, if approved by the voters, also authorizes such tax to be decreased by the elected governing body of the county.

This amendment also applies current property tax levy rollback provisions to the replacement tax levy.

PROPONENTS: Supporters say that this resolution would remedy some of the flaws in the Hancock Amendment. When Hancock was adopted as a Constitutional amendment in the 1980s, it was described as being "revenue neutral". Over time, it has become clear that a new Constitutional amendment is needed in order to rollback tax rates. This resolution would allow local jurisdictions to lower tax rates by way of a vote of the people, which is a much more democratic way of handling the revenue that such taxes produce.

Testifying in person for the bill were Senator Schroer; David Stokes, Show-Me Institute; and the Associated Industries of Missouri.

OPPONENTS: There was no opposition voiced to the committee.