

HB 1668 -- INFLATIONARY ASSESSMENT GROWTH RATE

SPONSOR: Matthiesen

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Property Tax Reform by a vote of 15 to 6, 1 present. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 7 to 1 and 1 present.

This bill modifies the manner in which a political subdivision may revise each tax levy to allow for inflationary assessment growth for all subclasses of real and personal property.

Currently, the inflationary growth factor for any subclass of real and personal property is limited to the actual assessment growth, exclusive of new construction and improvements, but not to exceed the consumer price index, or 5%, whichever is lower.

This bill limits the inflationary growth factor for any subclass of real or personal property to the actual assessment growth, but not to exceed the lower of the following:

- (1) The consumer price index; or
- (2) The following percentages:
 - (a) For tax levy revisions before January 1, 2025, 5%; or
 - (b) For tax levy revisions on or after January 1, 2025, 3%.

PROponents: Supporters say that this bill will slow the growth in assessment valuations, which will in turn reduce the amount of new revenue for local governments to spend. Supporters further say that when inflation is high, and prices are pushing upwards, government officials should be constrained in what they can do.

Testifying in person for the bill was Representative Matthiesen.

OPponents: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say enacting a number of tax reforms all at once can prove difficult once the time comes to implement them.

Testifying in person on the bill was the Missouri Association of Counties.

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