

HCS#2 HJR 78 -- PROPERTY TAX ASSESSMENTS

SPONSOR: Coleman (McGaugh)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 19 to 2. Voted "To Return to the Committee of Origin" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0. Voted "Do Pass with HCS #2" by the Special Committee on Property Tax Reform by a vote of 17 to 0 with 5 voting present. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 4 to 0 and 2 present.

The following is a summary of the House Committee Substitute for HJR 78.

Upon voter approval, beginning January 1, 2025, this proposed Constitutional amendment provides that the true value of all residential real property that has been maintained by the homeowner as his or her primary residence shall be deemed to be the same value determined at the most recent previous assessment of the property.

In a new assessment or reassessment of the primary residence the assessed valuation of such property may be increased, provided that the increase does not exceed the change in the Consumer Price Index or 2%, whichever is less. Such limited increase may be exceeded to reflect the value added to the property as a result of new construction or improvements.

This bill is similar to SJR 90 (2024), HJR 33&45 (2023) and HJR 80 (2022).

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 many seniors are losing their homes due to rising real estate tax rates. Currently, counties are using a tax structure that ends up taxing an unrealized gain. This kind of taxation does not have proper representation, in that the homeowner is not given a chance to vote on the taxing of the unrealized gains. Supporters further say that with much higher assessments each year, there is a corresponding increase in the number of appeals to the local Board of Equalization. With so many appeals, homeowners are now waiting for months before they might get a hearing. This bill will either eliminate or lessen such problems.

Testifying in person for the bill were Representative Coleman and Sean Smith.

OPPONENTS: Those who oppose the bill say that with the proposed increase of governmental intrusion into a homeowner's property rights, this bill could lead to a database of information about private citizens and their property ownership. Opponents further say that freezing home values could lead to a situation in which a county assessor is asked to assign an inaccurate value to a piece of real estate. Also, the loss of revenue to counties would be very difficult to recoup elsewhere.

Testifying in person against the bill were Mo Realtors and Armorvine.

OTHERS: Others testifying on the bill say that very often, two similarly situated properties can have very different assessments, based on a variety of factors. Further, it is very often the case that at building sites, the builder is not usually forthcoming about the costs or materials at the site, which leaves the county assessor in a position of having to guess at the value of the property.

Testifying in person on the bill was Kenneth Mohr.

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.