

HCS HB 119 -- TAX LEVIES BY POLITICAL SUBDIVISIONS

SPONSOR: Murphy

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Government Efficiency by a vote of 14 to 1 with 1 voting present. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 8 to 0.

The following is a summary of the House Committee Substitute for HB 119.

This bill requires that the election authority for a political subdivision or special district label taxation-related ballot measures numerically or alphabetically in the order in which they are submitted to the voters. Ballot measures will not be labeled in any other descriptive manner. Election authorities may coordinate with each other, or with the Secretary of State, to maintain a database to facilitate numeric or alphabetic assignment.

The bill requires that any ballot measure that seeks approval to add, change, or modify a tax on real property use language to express the effect of the proposed change in terms of real dollars owed per \$100,000 of a property's market valuation.

This bill requires that if voters in a political subdivision approve a levy increase prior to the expiration of a previously approved temporary levy increase, the new tax rate ceiling will remain in effect only until the temporary levy increase expires under the terms originally approved by voters. At that time, the tax rate ceiling will be decreased by the amount of the temporary levy increase unless voters of the political subdivision are asked to approve an additional permanent increase and such increase is approved.

The bill requires that when voters in a political subdivision pass a tax rate increase, the political subdivision shall use the current tax rate ceiling and the increase approved by the voters in establishing the rates of levy for the tax year immediately following the election. If the assessed valuation of real property in a political subdivision sees a reduction in value in the tax year immediately following the election, the political subdivision may raise its tax rates so that the revenue received from the local real property tax rates equals the amount the political subdivision would have received from the increased rates of levy had there been no reduction in the assessed valuation of real property in the political subdivision. In the event of an increased tax rate ceiling, such rate shall be revenue neutral as required in Article X, Section 22 of the Constitution of Missouri.

This bill is similar to HCS HB 1517 (2024).

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 this will provide transparency to the process for tax-related ballot provisions and that too often the names of such ballot provisions are political or an attempt to distract from the fact that the vote is to increase taxes.

Testifying in person for the bill was Representative Murphy.

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.