

HB 780 -- REAL PROPERTY VALUATION ASSESSMENTS

SPONSOR: Chappell

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Tax Reform by a vote of 5 to 3. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 7 to 3.

Beginning January 1, 2026, the true value in money of real property maintained and used by the owner as a primary residence for assessment purposes will be the same value determined at the most recent assessment as determined on or before December 31, 2025, subject to the following:

(1) For all residential real property maintained and used as the primary residence that is bought, sold, or transferred on or after January 1, 2026, the true value in money of the property for assessment purposes must not exceed the most recent purchase price. The true value in money will be maintained until the next sale of such property; or

(2) For all assessments of residential real property maintained and used as the primary residence on or after January 1, 2026, the assessed valuation may be increased, but only to the extent that the increase is the result of new construction or improvements made to the property where the added value equals a 50% increase or greater. This new assessed value will reflect the true value in money for all subsequent assessments until the conditions described above are met again or the next sale of the property.

If the sale of a piece of real estate results in a transaction that is below market value, the assessor must provide evidence to the Board of Equalization or other equivalent entity that the sale price should not be used as the new true value in money for assessment purposes. The owner of the property must notify the County Assessor of new construction or improvements so that a reassessment can be made.

Participation in the assessment process is optional. If a homeowner wishes to participate in the assessed valuation provisions as specified in this bill, the owner may opt in by notifying the assessor's office, and the homeowner's real property must be assessed under the assessment process in existence on or before December 31, 2025.

This bill is the same as HCS HB 1906 (2024) and similar to HB 1078 (2023).

PROPONENTS: Supporters say that this ensures the assessment value of a home cannot be more than the purchase price of the home on and after January 1, 2026. This bill tries to ensure that people who have owned their homes for decades will not lose their homes simply because they cannot afford their property taxes. Supporters say this bill allows homeowners to determine how their home is to be assessed.

Testifying in person for the bill were Representative Chappell.

OPPONENTS: Those who oppose the bill say that the bill is similar to an experiment in California that led to many lawsuits. Opponents also state this is not a holistic approach and does not make things fair and applicable to all. Opponents also say the bill raises concerns about the Hancock Amendment and constitutionality.

Testifying in person against the bill were Property Assessment Review; and, Mo. 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.