

HB 1497 -- TAX RATE CEILINGS

SPONSOR: Reedy

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 also requires that when voters in a political subdivision pass a tax rate increase, the political subdivision must 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 can 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 will be revenue neutral as required in Article X, Section 22 of the Constitution of Missouri.

This bill is similar to HB 119 (2025).