

HCS HBs 1768 & 2060 -- CLASSIFICATION OF CERTAIN RESIDENTIAL REAL PROPERTY

SPONSOR: Brown

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 12 to 0 with 3 members voting present. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 8 to 0 with 2 members voting present.

The following is a summary of the House Committee Substitute for HBs 1768 & 2060.

Currently, real property is divided into three separate classifications based on the use or purpose of the property. Each of the subclassifications of property are assessed at different rates. When real property is used for different purposes resulting in different classifications, the county assessor must allocate to each classification the percentage of the true value in money of the property devoted to each use.

This bill provides that when a single family home that is owned by a sole proprietor, individual, partnership, or limited liability company (LLC) is leased, in whole or in part, for 30 consecutive days or less, the home will be classified as residential property and will not necessarily be considered "transient housing".

This bill is similar to SCS HB 1086 (2025) and SCS HB 1086 (2025).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that short-term rentals should remain residential because they are used for residential lodging, sold as residential property, and zoned as residential. They say that insurance companies don't insure short-term rental property as commercial property either. Those in support of this bill say it prohibits assessors from being able to change the classification of AirBnBs, VRBO properties, and other short-term rentals to commercial. Supporters say that taxpayers who own short-term rental properties put their savings into those properties and treat them as a part of their retirement plans, so taxing these properties as commercial property would put short-term renters

out of business. Those in support of the bill state that taxing short-term rentals as commercial would also hurt tourism.

Testifying in person for the bill were Representative Brown; Americans For Prosperity; Missouri Chamber of Commerce & Industry; Susan Brown; Laura Williams; Arnie Dienoff; Lance Mayfield, Ozark Country Cabins, LLC -Missouri Vacation Home Alliance; and Taxpayers Protection Alliance (TPA).

OPPONENTS: Those who oppose the bill say that short-term rentals are business models and business investments. Opponents of the bill say these properties are businesses that charge sales taxes.

Testifying in person against the bill was Missouri Hotel And Lodging Association.

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.