

HB 1800 -- INFLATIONARY GROWTH FACTOR FOR ASSESSMENT GROWTH

SPONSOR: Matthiesen

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Tax Reform by a vote of 6 to 3. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 3.

This bill modifies the manner in which a political subdivision can revise each tax levy to allow for inflationary assessment growth for all subclasses of real and personal property.

Currently, the inflationary growth factor for any subclass of real and personal property is limited to the actual assessment growth, exclusive of new construction and improvements, but not to exceed the Consumer Price Index, or 5%, whichever is lower.

This bill limits the inflationary growth factor for any subclass of real or personal property to the actual assessment growth, but not to exceed the lower of the following:

- (1) The Consumer Price Index; or
- (2) The following percentages:
  - (a) For tax levy revisions before January 1, 2027, 5%; or
  - (b) For tax levy revisions on or after January 1, 2027, 3%.

This bill is similar to HB 517 (2025).

PROPOSERS: Supporters say that new revenue that can currently be gained by government institutions is limited to 5% or CPI. This bill will limit the growth of new tax dollars being pulled from taxpayers' wallets to 3% or CPI. Supporters say this reduced limit would have saved taxpayers money 17 times over the last 40 years. Those in support of the bill also say this bill will provide a safe harbor for taxpayers across Missouri.

Testifying in person for the bill were Representative Matthiesen; and Matthew Smith, Associated Industries of Missouri;

OPPOSERS: There was no opposition voiced to the committee.

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.