

HCS HB 2415 -- THE ASSESSMENT VALUE OF REAL PROPERTY

SPONSOR: Van Schoiack

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 14 to 2. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 1 with 1 member voting present.

The following is a summary of the House Committee Substitute for HB 2415.

This bill provides a definition for "assessment value" as it relates to real property assessment purposes.

This bill provides that, for the purpose of equalizing the valuation of real property and tangible personal property among counties, the State Tax Commission must use ratio studies to determine whether a class or subclass of property is valued below or above its true value in money. A class or subclass of property must be considered below or above its true value in money if the weighted mean ratio is less than 70% or greater than 100%.

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 many counties don't have enough sales data to use the market value approach, so this bill modifies the way assessors are currently valuing buildings in real property assessments and has them use the replacement approach. Those in support of the bill say seniors are being taxed out of their homes, and this bill brings assessments back to reality.

Testifying in person for the bill were Representative Van Schoiack; Arnie Dienoff.

OPponents: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say assessors can use cost approach, market approach, or income approach. The cost approach is effective on new buildings but becomes more subjective on older buildings due to depreciation. Others state that the problem is with depreciation, and assessors should use the cost approach and the market approach for residential property.

Others testifying on the bill note that people lose their homes largely because they cannot afford their taxes.

Testifying in person on the bill were Kenny Mohr, Missouri State Assessor's Association; George Monk; and Jon Stambaugh.

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.