

HCS#2 HB 2668 -- PROPERTY TAXATION

SPONSOR: Keathley

COMMITTEE ACTION: Voted "Do Pass with HCS No. 2" by the Special Committee on Property Tax Reform by a vote of 9 to 6. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 9 to 3.

The following is a summary of the House Committee Substitute No.2 for HB 2668.

Currently, certain counties, cities, political subdivisions, or other taxing districts may propose the imposition, continuation, or modification of a property tax to the voters at certain times of the year. This bill requires such proposals to be submitted to the voters at the general election in November. (Sections 64.401, 66.265, 67.457, 67.799 - 95.390, 137.037, 137.065, 137.565, 137.1040, 162.223 - 650.408, RSMo).

The bill prohibits any political subdivision or election authority from advertising or describing any proposed property tax as a "no tax increase" tax proposal, except in certain circumstances. (Section 67.496).

The bill requires any question submitted to voters by a political subdivision desiring to levy a property tax to be submitted only on general election day. This requirement does not extend to township governments. (Section 115.123)

This bill requires that the election authority for a political subdivision or special district label ballot measures related to property taxation numerically or alphabetically. (Section 115.240).

Beginning January 1, 2027, the bill standardizes property tax-related ballot language and requires such ballot language to include certain elements as specified in the bill.

This bill requires ballot language to describe the desired tax as a specified amount per \$100,000 or per \$10,000 of appraised value, depending on whether the property is residential, commercial, agricultural, or a motor vehicle.

The bill prohibits any political subdivision or election authority from advertising or describing any proposed property

tax as a "no tax increase" tax proposal, except in certain circumstances.

The bill requires ballot language statements to be fair, true, and accurate (Section 115.706).

This bill provides that each political subdivision that adopts or has adopted any tax abatement or similar economic incentive must decrease the levy of real property tax rates to reduce the amount of tax revenues such political subdivision received from the additional tax abatement revenue (Section 137.039).

This bill provides that all township governments may continue to submit property tax ballots in either April or November (Section 137.481).

This bill clarifies that any county authorized to impose a property tax must grant a property tax credit to all eligible taxpayers for certain increases to an eligible taxpayer's real property tax liability. The bill further clarifies that in a county granting a real property tax credit, the county and each political subdivision levying a real property tax must apply the county's or political subdivision's proportional amount of the credit when calculating the eligible taxpayer's property tax liability. The county and the political subdivision are prohibited from adopting any procedure that limits the definition or scope of eligible credit amounts or eligible taxpayers. As it relates to calculating the property tax levies, the total amount of credits authorized in the county must be considered tax revenue actually received by the political subdivision levying the tax.

This bill clarifies that real property tax imposed by a county or by a political subdivision within the county includes, but is not limited to: tax levies for debt service, tax levies for operating purposes, and tax levies for capital improvements and projects (Section 137.1050).

Currently, the eligible credit amount in "five percent counties" may be increased by no more than 5% per year or the percent increase in inflation, whichever is higher. The bill changes the language to provide that the eligible credit amount in "five percent counties" may be increased by no more than 5% per year or the percent increase in inflation, whichever is lower (Section 137.1055).

This bill contains a severability clause.

This bill is similar to HB 2780 (2026).

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 this bill addresses tax proposal language, ballot language, assessments, property tax payment mechanisms, and other issues raised by the public. Those in support of the bill state that moving the property tax elections to November will allow for greater voter turnout.

Testifying in person for the bill were Representative Keathley; Arnie Dienoff; Dennis Ganahl, Missouri Tax Relief Now.

OPPONENTS: Those who oppose the bill say the bill will harm seniors who live in long-term care facilities, nursing homes, and assisted living facilities by increasing their taxes. Those in opposition further state the bill requires AirBnBs and VRBO properties to be assessed as residential properties even though they function as a business. The bill will cause issues once the education formula is rewritten and will cause ballot fatigue by moving all property tax elections to November. They also state that the bill does not make property taxation simpler or easier to understand.

Testifying in person against the bill were Steve Hobbs, Missouri Association Of Counties; Laura, Missouri Municipal League; David Mccracken, Leading Edge Missouri; Jorgen Schlemeier, Missouri Hotel And Lodging Association; Mike Lodewegen, Missouri Council Of School Administrators; Nikki Strong, Missouri Health Care Association; Tim Blattel, Twin Oaks Estate/Mala.

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.