

HCS HB 3035 -- MOTOR VEHICLE ASSESSMENTS

SPONSOR: Reedy

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Tax Reform by a vote of 5 to 2 with 2 members voting present.

The following is a summary of the House Committee Substitute for HB 3035.

Beginning January 1, 2027, this bill requires the assessor to use 85% of the manufacturer's suggested retail price (MSRP) for all manufactured motor vehicles to determine the original value in money of all motor vehicle assessment valuations.

The bill provides a 12-year depreciation schedule that must be applied to 85% of each MSRP to develop the annual and historical valuation guide for all motor vehicles. Each year, these values must be delivered to each approved software vendor by November 15th and listed for use in the next assessment year by December 15th.

If there is no listing available from an approved publication for a particular motor vehicle, the assessor must:

- (1) Use information or publications that fairly estimate the original value of the motor vehicle; and
- (2) Apply the depreciation schedule as provided in the bill.

The State Tax Commission (STC) must secure an annual appropriation for the guide and the programming needed to allow valuations by the vehicle identification number in all certified mass appraisal software systems. The STC or the State must be responsible for renewals and annual software cost for preparing the data in a usable format for approved software vendors.

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 the bill provides consistency and predictability regarding vehicle assessments by setting up a 12-year depreciation schedule. Those in support of the bill also

state the bill allows for steady annual declines of motor vehicle values as they age.

Testifying in person for the bill were Representative Reedy; Missouri Association of Counties; and Kenny Mohr, Missouri State Assessors Association.

OPPONENTS: Those who oppose the bill say that the bill will hurt local revenues, which are largely used to fund education at the local level.

Testifying in person against the bill was Missouri Council of School Administrators.

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.