

HCS HJRS 148 & 111 -- TAXATION OF REAL PROPERTY

SPONSOR: Taylor (48)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 14 to 3. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 7 to 3.

The following is a summary of the House Committee Substitute for HJRS 148 & 111.

Currently, Missouri's Constitution requires rollbacks in property tax levies in certain situations. However, the Kansas City Public Schools are exempt from this provision.

Upon voter approval, this proposed constitutional amendment would expire the Kansas City Public Schools exemption on December 31, 2026.

Beginning January 1, 2027, the operating levy of the Kansas City Public School District must be set to \$4.9599 per \$100 of assessed valuation.

Beginning January 1, 2028, the operating levy of the Kansas City Public School District must be subject to adjustments as provided in Article X of the Missouri Constitution and all applicable statutes governing property taxes and school district operating levies.

Currently, taxes imposed for the payment of bonds, indebtedness, and contracts are exempt from the levy limitation imposed on operating levies.

This amendment repeals this exemption. The levy limitations imposed on operating levies will apply to levies imposed for the payment of bonds, indebtedness, and contracts.

Currently, new construction and improvements are excluded from the calculation of the assessed valuation of property as it relates to the levy limitation of the Hancock amendment.

This amendment provides that new construction and improvements must be included in this calculation of the assessed valuation.

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 ensures the Kansas City Public Schools can be subject to the Hancock Amendment without needing to rollback to a previously lower tax levy. Those in support of the bill state that Kansas City Public Schools wants to get to the point where it is adjusting its property tax levies in the same way as other school districts in Missouri. Supporters of the bill say this is good for taxpayers in the Kansas City School District boundaries.

Testifying in person for the bill were Representative Taylor; Dan Hutton, State Ombudsman - State Tax Commission; and Arnie Dienoff.

**OPPONENTS:** Those who oppose the bill say that Kansas City Public Schools planned to put the tax rate on the ballot on its own, but this bill is another mandate by the state to Kansas City Public Schools. Opponents state this bill will force Kansas City Public Schools to set a lower property tax levy, which will harm the educational system for Kansas City Public Schools and local charter schools. Those who oppose the bill say it will create issues at the state and local level by including new construction and improvements in the calculation of assessed valuation. Opponents also say debt service is already limited in other ways.

Testifying in person against the bill were Richard Sheets, Missouri Municipal League; Shana Long, Kansas City Public Schools; Dr. Jennifer Collier, Kansas City Public Schools; and Mike Lodewegen, 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.