MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2859	DATE: 1/20/2026
COMMITTEE: Ways and Means	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

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Good morning, Chairman and members of the committee.

My name is Julia Baker, and I serve as the Gasconade County Assessor. Thank you for the opportunity to testify on HB 2859, which proposes reducing the personal property assessment ratio from 33?% to 30% next year, and then decreasing it by 2% annually until reaching 16% in 2041.

While I understand and support efforts to provide tax relief for Missouri citizens, it is important to consider the practical impact on local governments. Personal property taxes are a critical source of revenue for counties, schools, cities, fire protection, ambulance districts, and other local taxing districts. These revenues fund essential services such as public safety, education, emergency response, and infrastructure maintenance.

To put this into perspective, in Gasconade County, reducing the personal property assessment ratio to 30% next year would result in an estimated $138,316.14 annual loss in revenue. That shortfall alone would necessitate levy adjustments to maintain existing services, shifting a portion of the tax burden from personal property to real property owners. At a steady rate of 2% loss in assessed value each cycle, we can estimate a minimum of $ 92,210.76 decrease in revenue each cycle. Once the assessed ratio reaches 16%, Gasconade County would have lost approximately $783,791.46 in annual revenue compared to current assessed values. That amount will not just disappear. That revenue loss will need to recoup in levy changes, or our levying districts will not survive. This will also add unneeded stress to the citizens having to go to the ballot every cycle for a levy adjustment caused by the continual decline in personal property assessed valuation.

It is critical to understand that a reduction in assessed valuation does not automatically translate into lower tax liability. Local taxing districts still require the same revenue to operate schools, fire protection, roads, libraries, and other essential services. When assessed values are lowered, the levy must increase to maintain funding levels—affecting both personal and real property. In effect, the intended tax relief for personal property owners is eroded, and the burden shifts to other taxpayers, often homeowners and farmers.

The facts are simple: meaningful tax relief cannot be achieved at the local level without state reimbursement or replacement funding. Counties, schools, and local districts operate with limited resources, yet they are responsible for critical infrastructure and services. If funding is reduced, essential services—roads, schools, fire protection, and libraries—are at risk. Weakening local government revenue jeopardizes not only day-to-day life for citizens but also the state's long-term economic health. Businesses and industry will not remain in areas where infrastructure fails; they will relocate to regions with stable support systems.

I fully understand that Missouri families are facing financial pressures. However, the solution is not to undermine the tax structure that sustains local government services. True tax relief comes from building and strengthening local infrastructure, supporting economic growth, and attracting industry, which in turn increases sales tax and broadens the overall tax base. A strong, stable foundation at the local level benefits all citizens and ensures that any future tax relief is real and sustainable.

Under HB 2859's proposed phased reductions, the long-term impact is even more significant. With a 2% reduction each year, local governments will face steadily increasing revenue shortfalls. By 2041, when the assessment ratio reaches 16%, the cumulative effect will require substantial levy increases or service reductions, amplifying the tax shift from personal property owners to homeowners, farmers, and landowners. This is not simply tax relief—it is a reallocation of the tax burden.

I want to be clear: I am not opposed to providing tax relief. However, when the General Assembly reduces either personal or real property assessments, it is critical to include state reimbursement to hold local governments harmless. Without reimbursement, local taxing districts must either increase levies or reduce services to compensate for lost revenue. This is a predictable and unavoidable consequence of HB 2859 as written.

As assessor, my role is to ensure fair and equitable property valuations, not to set tax policy. My concern is that HB 2859 shifts the burden of funding essential services rather than solving the underlying challenge of tax relief. Including full state reimbursement in this legislation would allow the General Assembly to achieve the goal of tax relief without harming local governments or taxpayers who rely on stable services.

Thank you for your time and consideration.

Sincerely,

Julia L. Baker

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WITNESS NAME

REGISTERED LOBBYIST:

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WITNESS NAME

REGISTERED LOBBYIST:

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The bill would gradually reduce the personal property tax assessment ratio from 33 1/3% to 16 percent over 15 years. If allowed by a constitutional change, the bill would also exempt farm machinery and motor vehicles from personal property taxation. The bill's fiscal note indicates that local governments, including schools, are likely to see significant reductions in local revenues over the next fifteen years as the bill is implemented. The estimated loss could reach $1.2 billion. The Association is concerned that this reduction in local funds will make it harder for schools to maintain the educators and programs their students need and opposes the bill.

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WITNESS NAME

REGISTERED LOBBYIST:

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WITNESS NAME

INDIVIDUAL:

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I respectfully oppose HB 1375.

While framed as a narrow accommodation for construction logistics, this bill authorizes heavier vehicle loads on Missouri roads without adequate safeguards, enforcement clarity, or fiscal accountability. A ten-percent increase in allowable weight may appear modest, but engineering and transportation studies consistently show that even small increases in axle weight significantly accelerate pavement degradation and bridge fatigue—costs that are ultimately borne by taxpayers, not private operators.

The bill relies heavily on self-certification concepts such as vehicles being “properly maintained and equipped,” yet provides no inspection standard, enforcement mechanism, or funding for increased monitoring. It also shifts additional structural risk onto local roads and bridges that were not designed or rated for these increased loads, particularly in rural areas where infrastructure is already under strain.

Public safety must remain the primary concern.

Allowing heavier loads increases stopping distance, reduces vehicle maneuverability, and raises the severity of accidents involving passenger vehicles. The exclusion of the interstate system underscores the very concern this bill creates: if these loads are unsafe for interstates built to the highest standards, they are inherently unsafe for state and local roadways.

If construction and aggregate transport require relief, that discussion should occur transparently through permit systems, infrastructure impact fees, and engineering review—not through a blanket statutory exemption.

For these reasons, HB 1375 should not advance in its current form.

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WITNESS NAME

REGISTERED LOBBYIST:

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This will cause a shift of taxpayer burden from Personal Property tax to real Property Tax. Residential, Commercial and farmers and ranchers.

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WITNESS NAME

REGISTERED LOBBYIST:

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The impact of this legislation is to reduce the percentage of personal property is assessment until the rate is 16%, a little over 50% of the current assessment percentage. This will cause a tax shift from personal property to real property- Residential, Commercial and Agriculture.

Taxing districts that are not at the levy ceiling will increase levies to their ceilings. Those at their ceiling will go to the voters with a ballot issue to increase their levy to recover the lost revenue.

Any loss in revenue derived lowering personal property assessment ratios would be shifted to all three subclasses of real property. This shift in revenue would directly cause homeowners to see a rise in property taxes on their homes.

Larger counties like St. Charles, St, Louis & Jackson where sales tax accounts for large part of the tax revenue would not see services decline. Real property owners in smaller counties without the sales tax revenue could be severely impacted.