MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2923**	DATE: **4/2/2026**
COMMITTEE: **Special Committee on Tax Reform**	

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

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **ARNIE C. AC "HONEST-ABE" DIENOFF**		PHONE NUMBER: **314-440-9000**	
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THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

I am in Support of this Bill and allowing a $75,000 "Homestead Exemption" for Improvements and Additions to Dwellings.

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WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **SEAN SMITH**		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
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EMAIL:	ATTENDANCE:	SUBMIT DATE: **4/2/2026 12:00 AM**	

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WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **SHAWANNA DANIELS**		PHONE NUMBER: **417-247-5813**	
BUSINESS/ORGANIZATION NAME: **DANIELS TIRE SERVICES**		TITLE:	
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EMAIL: **shawannaldaniels@gmail.com**	ATTENDANCE: **Written**	SUBMIT DATE: **3/23/2026 3:53 PM**	

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We are taxed enough! I feel we should not have taxes on what we own!!

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WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **BRENT JOHNSON**		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME: **GREENE COUNTY ASSESSOR OFFICE**		TITLE: **GREENE COUNTY ASSESSOR**	
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THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

This bill creates a new property tax exemption for homestead improvements. While that may sound simple and beneficial on the surface, the reality is far different.

This bill does not simply provide tax relief. It creates an entirely new, complex, multi-year administrative program that must be designed, implemented, and enforced by local assessors without any funding, staffing support, or operational framework in place.

This is an unfunded mandate on local assessors.

Under this bill, assessors will be required to review and approve pre-construction applications, determine whether work qualifies as an "improvement" versus maintenance, verify costs and documentation, establish pre-improvement base values, and apply exemptions over a four year period while tracking eligibility annually. In addition, assessors will have to monitor ownership and homestead status and process late filings, corrections, and appeals.

This is not a small change. This is a brand new program layered on top of an already complex system. And yet, the bill provides no funding for administration, no staff, no technology support, and no implementation resources.

In fact, assessors are already operating under significant funding constraints, as the state has consistently failed to fully fund the reimbursement program or cover the true cost of operating assessment systems statewide.

This bill will introduce significant subjectivity and will increase appeals in a system that is already strained due to a lack of funding for hearing officers. It requires assessors to make judgment calls on what constitutes a qualifying improvement versus ordinary repair, whether costs meet statutory thresholds, how much value is attributable solely to the improvement, whether documentation is sufficient, and whether a property continues to qualify.

These are not simple determinations. They are inherently subjective, and every subjective decision becomes an appeal. The bill further places the burden on the assessor to justify denials, which will significantly increase disputes, Board of Equalization cases, and litigation.

This proposal is also not practically workable within a mass appraisal system. It assumes assessors

can isolate “improvement value” from overall market value. In reality, property values change due to market conditions, neighborhood trends, property condition changes, and mixed projects that include both repairs and improvements.

Separating those factors with precision is extremely difficult, and in many cases impossible, within a mass appraisal framework. This will lead to inconsistency, inequity, and challenges to uniformity.

The bill will also require major system and software changes. To administer this properly, assessment offices will need new tracking systems and workflows, new data structures for pre-improvement values, multi-year exemption tracking, integration with tax billing systems, and expanded document management systems.

Most counties rely on vendor-based CAMA systems. These changes will require costly programming and system modifications, none of which are funded in this bill. This creates a significant financial burden on local governments.

The catastrophic event provisions add even more complexity. They create separate rules based on insurance status and reconstruction timelines, raising serious administrative questions about how insurance status will be verified, how partial losses will be handled, and how timelines will be tracked across multiple years. These provisions go far beyond normal assessment functions and introduce additional uncertainty.

The funding provision in the bill does not address the real cost. While it states that the General Assembly shall appropriate funds to offset lost revenue, it does not guarantee funding, does not provide a formula, and does not cover administrative costs or fund staffing or system upgrades. Even if revenue losses are partially reimbursed, the cost of administering this program will fall entirely on local assessor offices.

This bill also undermines uniformity and fairness. Two identical homes could have very different tax liabilities depending on whether one owner filed the required paperwork, whether improvements were made, and whether those improvements qualify under the statute. This shifts the tax burden away from those making improvements and onto the broader tax base, creating inequities among taxpayers.

Additionally, this bill creates a paperwork-driven system that will confuse property owners. It requires pre-construction filings, post-construction filings, strict deadlines, and supporting documentation. When confusion arises, it will be the assessor’s office that must absorb the increased workload, despite already being understaffed and underfunded.

Ultimately, this bill creates a complex, subjective exemption system that will significantly increase administrative burden, increase appeals and disputes, require substantial software and staffing increases, and do so without providing the necessary funding to implement or sustain it.

This will cost counties tens of thousands of dollars to implement and tens of thousands more annually to operate. Those costs will fall on county general revenue at a time when assessment reimbursement from the state is already at historically low levels and continues to be underfunded. This will force counties to divert funding from other critical services such as law enforcement, infrastructure, and public safety.

If the goal is property tax relief, there are better, more transparent, and more equitable ways to achieve it without destabilizing the assessment system.

For these reasons, I respectfully urge opposition to this bill.

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BILL NUMBER:	DATE:
HB 2923	**4/2/2026**

COMMITTEE:
Special Committee on Tax Reform

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

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME:	PHONE NUMBER:
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BUSINESS/ORGANIZATION NAME:	TITLE:
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dfranks@howellcountymo.gov	**Written**	**4/2/2026 9:14 PM**

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Section 137.1081 provides a great number of definitions of the contents, but little substance in what the bill is attempting to accomplish. It appears this is an attempt to provide a 4-year tax abatement for residential property owners for improvements they may make on their property, with the exception of constructing a new residence unless they suffered a catastrophic event. The lack of guidance in the language for determination of a qualifying improvement is a major problem and needs clarification.
The lack of a clear, defined purpose will make this very difficult to administer and explain to citizens even though section (2)(b)a states "all rules promulgated under this section shall be designed to promote administrative simplicity and transparency".
This is another example of legislation that will cause greater expense to county government, little to no assistance to citizens and less local control.
The questions I would like answered are, what event caused the development of this and who is the drafter of it?

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WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **SARAH BERRY**	PHONE NUMBER:	
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EMAIL:	ATTENDANCE: **Written**	SUBMIT DATE: **4/2/2026 7:49 AM**

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HB 2923 is not tax relief. It is a state-imposed suppression of taxable value paired with an unsecured reimbursement mandate that exposes both the state and political subdivisions to constitutional and fiscal risk.

The bill removes up to $75,000 in improvement value from the property tax base for four years.

The fiscal note confirms this produces:
• measurable revenue loss to local political subdivisions
• measurable revenue loss to the Blind Pension Fund
and an unknown but potentially substantial statewide fiscal impact

This is not speculative. This is acknowledged in the record.

The bill then attempts to cure this loss through a statutory directive:
The General Assembly shall appropriate funds to reimburse political subdivisions.

This language is not self-executing.

It creates no enforceable funding mechanism, no dedicated revenue source, and no guaranteed appropriation.

As a matter of law, future legislatures are not bound to appropriate.

Accordingly, this structure creates a contingent, discretionary reimbursement scheme while mandating uniform compliance by all political subdivisions.

This raises immediate constitutional concerns under Article X of the Missouri Constitution, including but not limited to:
• Uniformity and equality in taxation — by selectively exempting improvement value while redistributing the resulting burden
• Prohibition on shifting tax burdens in a manner that creates structural inequity between similarly situated taxpayers
• Limitations on state interference with local revenue stability where obligations remain fixed but revenue is artificially suppressed

The fiscal note further confirms the operational consequence:
Property tax systems are designed to be revenue neutral… tax rates may increase.

This is a direct admission that:
The tax burden is not eliminated — it is forcibly redistributed.

Thus, HB 2923 creates two unavoidable outcomes:

1. Rate Escalation Scenario
Non-exempt property owners absorb the displaced tax burden through increased rates.

2. Revenue Loss Scenario
Levy-capped entities are unable to adjust, resulting in direct and unrecoverable loss of funding.

Impacted entities include:
- **school districts**
- **disability service boards (SB40)**
- **libraries**
- **counties and municipalities**

These entities carry statutory and constitutional obligations that do not decrease when revenue is suppressed.

The bill further compounds liability exposure by:
mandating uniform application across all jurisdictions
- **prohibiting local modification or restriction**
- **imposing administrative obligations without guaranteed funding**

and conditioning financial stability on speculative future appropriations

This structure is consistent with an unfunded mandate with downstream coercive effects.

Additionally, the fiscal note explicitly warns that the bill may:
create disparities and inequities among residential properties and categories of homeowners

This is an acknowledgment of systemic unequal treatment within the same tax class, raising further constitutional vulnerability.

The combined effect is a legally unstable framework:
- **State-imposed reduction of taxable value**
- **Mandatory compliance by local entities**
- **No guaranteed reimbursement**
- **Forced redistribution or revenue collapse**
- **Documented inequity across taxpayers**

This is not policy ambiguity.

This is a record-supported structural exposure.

The General Assembly is hereby placed on formal notice:
Enactment of HB 2923 may give rise to constitutional challenges under Article X of the Missouri Constitution, including violations related to uniformity, equal taxation, and improper redistribution of tax burden; may constitute an unfunded mandate imposed upon political subdivisions without secured appropriation; and may expose the state to liability arising from the creation of a discretionary reimbursement scheme that fails to ensure revenue stability for entities with fixed statutory obligations.

Failure to appropriate sufficient funds to offset the mandated exemption may further result in material impairment of local governmental functions and services, creating foreseeable grounds for legal challenge and injunctive or declaratory relief.

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WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **KENNETH MOHR**		PHONE NUMBER: **573-886-4266**	
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1. This will require all Assessors to have their computer assisted mass appraisal software to be completely rewritten to account for this exemption. The cost of this rewrite could be millions of dollars.

2. Will there be any provisions for the appropriation of funds to cover this cost.

3. There are several places in the bill where the State Tax Commission will be promulgating rules and forms. This could be a situation which gives the State Tax Commission more oversite and control, over individual Assessor's.

4. What if the State Tax Commission does not promulgate rules or offer and guidance for Assessor's.

5. If I am understanding this correctly if a community is hit by a storm which creates a lot of hail damaged properties. If the repair of that damage is more than $7,500 that property could be subject to 4-year exemption of $75,000 if insured and $200,000 for uninsured. At the same time the properties on the other side of the community that were not damaged do not receive the exemption. This creates a situation of inequity and lacks uniformity.

6. What happens if the property receiving the exemption is sold will the new owner still receive the exemption.

7. Will the abated amount still considered in the levy setting process or be exempted like new construction is currently handled in the levy setting process.

8. On page 12 the taxpayer is to submit an annual statement of completion to the Assessor. There is nothing here to provide recourse to the Assessor if the taxpayer fails to file the statement. One thought would be failure to file the statement would result in the loss of the abatement.