

HCS HB 1517 -- BALLOT LANGUAGE RELATING TO TAXATION

SPONSOR: Murphy

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Tax Reform by a vote of 8 to 3.

The following is a summary of the House Committee Substitute for HB 1517.

This bill specifies that the election authority for a political subdivision or special district must label taxation-related ballot measures submitted by the political subdivision or special district numerically or alphabetically, and that ballot measures cannot be labeled in any other descriptive manner.

The bill requires any ballot measure seeking approval to add, change, or modify a tax on real property to express the effect of the proposed change within the ballot language in terms of the change in real dollars owed per \$100,000 of a property's market valuation.

The bill specifies that, if the voters in a political subdivision approve a temporary levy increase prior to the expiration of a previously approved temporary levy increase, the new tax rate ceiling will remain in effect only until the temporary levy increase expires under the terms originally approved by a vote of the people. At that time, the tax rate ceiling will be decreased by the amount of the temporary levy increase unless voters of the political subdivision are asked to approve an additional permanent increase and such increase is approved.

This bill requires that when voters in a political subdivision pass an increase in the political subdivision's tax rate, the political subdivision shall use the current tax rate ceiling and the increase approved by the voters in establishing the rates of levy for the tax year immediately following the election. If the assessed valuation of real property in a political subdivision sees a reduction in value in the tax year immediately following the election, the political subdivision may raise its tax rates so that the revenue received from the local real property tax rates equals the amount the political subdivision would have received from the increased rates of levy had there been no reduction in the assessed valuation of real property in the political subdivision. In the event of an increased tax rate ceiling, such rate shall be revenue neutral as required in Article X, Section 22 of the Constitution of Missouri.

This bill is similar to HS HCS HB 186 (2023).

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 when a political subdivision passes a tax increase, but does not "roll back" its local tax rates according to the provisions of the Hancock Amendment, the political subdivision has deceived the voters. This bill would require political subdivisions to present potential tax increases in an honest and ethical manner, without making use of any loopholes to skirt the law.

Testifying in person for the bill were Representative Murphy; and Arnie C. Dienoff.

OPPONENTS: There was no opposition voiced to the committee.

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.