

HB 287 -- CLASSIFICATION OF SAWMILLS FOR PROPERTY TAXES

SPONSOR: Day

COMMITTEE ACTION: Voted "do pass" by the Committee on Rural Community Development by a vote of 12 to 0.

This bill classifies sawmills and planing mills as defined in the United States Department of Labor's Standard Industrial Classification Manual as agricultural and horticultural property instead of commercial property for property taxation purposes.

FISCAL NOTE: No impact on General Revenue Fund in FY 2010, FY 2011, and FY 2012. Estimated Cost on Other State Funds of \$0 in FY 2010, \$0 to \$20,313 in FY 2011, and \$0 to \$20,313 in FY 2012.

PROPOSERS: Supporters say that the bill will reduce the tax rate for these mills from 32% to 12%, which will provide a lifeline this industry desperately needs. Sawmills and planing mills harvest a forest like any other crop by taking a log and turning it into a plank of wood. They do not take a plank of wood and build something. The downturn in home and commercial construction has severely impacted Missouri's sawmill industry. A sawmill is often the largest employer for the rural area in which it is located. Many are family-owned businesses operating on a shoestring budget.

Testifying for the bill were Representatives Day and Kuessner; Missouri Forest Products Association; and Associated Industries of Missouri.

OPPOSERS: There was no opposition voiced to the committee.