

HCS HB 112 & 285 -- CLASSIFICATION OF SAWMILLS FOR PROPERTY TAXATION PURPOSES

SPONSOR: Weter (Day)

COMMITTEE ACTION: Voted "do pass" by the Committee on Rural Community Development by a vote of 8 to 2.

This substitute classifies a sawmill or planing mill defined in the United States Department of Labor's Standard Industrial Classification (SIC) Manual with a SIC number 2421 as agricultural and horticultural property instead of commercial property for property taxation purposes.

FISCAL NOTE: No impact on General Revenue Fund in FY 2012, FY 2013, and FY 2014. Estimated Net Effect on Other State Funds of an income of \$0 in FY 2012, an income of \$0 to a cost of \$20,143 in FY 2013, and an income of \$0 to a cost of \$20,143 in FY 2014.

PROPOSERS: Supporters say that the bills do not single out sawmills for a tax break but instead correct a classification error by placing sawmills in the proper classification as agriculture property for purposes of tax assessment.

Testifying for HB 112 were Representative Day; and Missouri Forest Products Association.

Testifying for HB 285 were Representative Fitzwater; and Missouri Forest Products Association.

OPPOSERS: Those who oppose the bills say that the reclassification of sawmills will have a tremendous impact on school districts that rely on the funds generated by the assessment of sawmills as commercial property.

Testifying against the bills were Bleau Deckard, Altenburg Public School District; and Missouri Council of School Administrators.

OTHERS: Others testifying on the bills say they will significantly impact the taxing districts that use assessed valuation for local tax levies.

Testifying on the bills was Missouri State Assessor's Association.