

HB 1650 with HCA 1 -- PROPERTY ASSESSMENT INCREASES

SPONSOR: Corlew

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Local Government by a vote of 10 to 0.

Beginning January 1, 2017, this bill limits the increase in assessed valuation of residential property to the percentage of increase in the federal Social Security benefits in the previous year for an individual who is 67 years of age or older or who is disabled, has a federal adjusted gross income of less than \$60,000 for taxpayer with single filing status or \$68,000 for a taxpayer with married filing jointly status, and owns and lives in his or her principal residence. Any taxpayer meeting the requirements must provide the county assessor with either proof of age or proof of disability.

The provisions of the bill will expire December 31 six years after the effective date.

This bill is similar to HB 1313 (2012).

HCA #1: This amendment clarifies under what circumstances the bill will apply to a grantor of a living trust; clarifies that the provisions of the bill do not apply to home improvements that increase the square footage of the principal residence; requires qualified taxpayers to provide proof of such status; changes the entity that can promulgate rules to implement the bill from the State Auditor to the State Tax Commission; and provides that the principal residence of a qualified taxpayer to which this bill applies must not be included in any county ratio study.

PROPONENTS: Supporters say that this bill is needed so that senior citizens are not forced out of their homes due to property tax increases, and it has a county opt-in provision so it is not a state mandate.

Testifying for the bill was Representative Corlew.

OPPONENTS: Those who oppose the bill say there are current laws that offer almost the exact same benefits to the exact same persons without damaging the infrastructure.

Testifying against the bill was the Missouri NEA.

OTHERS: Others testifying on the bill say that the acceptable proof that is required to qualify can differ from county to county and it would be better if the Department of Revenue made uniform

requirements. Also, this bill ultimately could push the tax revenue responsibility onto other members of the community.

Testifying on the bill were Missouri Assessors Association and the Missouri Budget Project.