



TESTIMONY

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PROPERTY TAX REFORM

By Patrick Tuohey

Testimony Before the Missouri House of Representatives Special Interim
Committee on Property Tax Reform

TO THE HONORABLE MEMBERS OF THIS COMMITTEE

Thank you for the opportunity to testify. My name is Patrick Tuohey, and I am a Senior Fellow at the Show-Me Institute, a nonprofit, nonpartisan, Missouri-based think tank that advances sensible, well-researched, free-market solutions to state and local policy issues. The ideas presented here are my own and are offered in consideration of proposals that will address the assessment and taxation of real and personal property in Missouri and particularly in Kansas City and Jackson County.

Missouri's local government property tax system works best when the assessments are accurate, the base is wide, and the rates are low. Unfortunately, in too many cases throughout the state, the assessments are inaccurate or, at best, inconsistent, the tax base is too narrow, and the rates are too high (especially for commercial property).

My colleague, David Stokes, will address more general issues of property tax reform at a future hearing of this committee. I want to stress two items of importance here in Kansas City and Jackson County with my testimony today.

REMOVE THE TAX RATE ROLLBACK EXEMPTION FOR THE KANSAS CITY 33 SCHOOL DISTRICT

There are thousands of local taxing districts in Missouri that collect property taxes. Only one of them, the Kansas City 33 School District, is exempt from rolling back its tax rates as assessments increase. This exemption was one of many results of the famous Kansas City desegregation lawsuit from the 1980s.

In 1998, Missouri voters amended the state's constitution by approving Article X, Section 11(g):

X Section 11(g). Operating
levy for Kansas City school
district may be set by school

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board.—The school board of any school district whose operating levy for school purposes for the 1995 tax year was established pursuant to a federal court order may establish the operating levy for school purposes for the district at a rate that is lower than the court-ordered rate for the 1995 tax year. The rate so established may be changed from year to year by the school board of the district. Approval by a majority of the voters of the district voting thereon shall be required for any operating levy for school purposes equal to or greater than the rate established by court order for the 1995 tax year. The authority granted in this section shall apply to any successor school district or successor school districts of such school district.

In 2019, Jackson County assessments increased 23% after the Missouri State Tax Commission ordered the county to correct its faulty property valuations. At that time, the assessed value of the school district itself increased by 29%. Even with that assessment increase, the school district chose not to lower its tax rate. Other taxing entities are required to roll back rates as assessments increase to lessen the tax increases people face. In 2021, the Kansas City School District's total assessed valuation went up a further 7.27%, but the school district only lowered its tax rate by a miniscule 0.14%. More recently, in 2023 the district's assessed value went up 24%, and once again the school board kept the tax rate exactly the same.¹

The Kansas City School Board's refusal to roll back property tax rates after substantial assessment increases in 2023 led to large tax increases for many people. That is not supposed to happen through reassessment, but it has. It is time to protect the taxpayers of Kansas City and give voters the opportunity to remove the Kansas City School District's tax rate rollback exemption.

¹ The assessments and taxes from 2023 in Jackson County are still being disputed in court as of 2025.

ELECT ALL COUNTY ASSESSORS

Jackson County has been ground zero for improperly managed reassessments for the past decade. It is also the only county in Missouri that does not have an elected assessor. (The independent City of St. Louis also has an appointed assessor.) In November, 2026, Jackson County voters will vote on whether to make county assessor an elected position. Passing that proposal would be good for Jackson County. It will allow residents to hold someone directly accountable for managing proper reassessments, and I think that accountability will improve the entire process. The same change should be strongly considered for the City of St. Louis.

CONCLUSION

As stated earlier, our property tax system works best when the assessments are accurate, the base is wide, and the rates are low. That combination will help Missouri grow our economy for everyone while properly funding the necessary functions of local government.

Currently, the assessments throughout rural Missouri are inaccurate, the assessments in our larger counties are inconsistent, and the assessments in Jackson County are a disaster. The tax base throughout Missouri is too narrow due to far too many tax subsidies and abatements and tax limitations favoring certain populations over others (e.g., the senior tax credit). Tax rates, particularly the commercial property tax surcharges in Missouri's larger counties, are too high.

The proposals passed into law during the recent special session will make many of these problems worse, not better, for most Missourians, while at the same time being inconsistent with the tax laws in Missouri's Constitution. I hope that this committee changes our property tax and assessment systems in a manner that will improve them for all Missourians.



P.O. Box 16024 • Saint Louis, MO 63105 • 314-454-0647

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