



TESTIMONY

February 18, 2026

SENATE JOINT RESOLUTION 111 AND PROPERTY TAXES

By David Stokes

Testimony before the Missouri Senate Select Committee and Property Taxes and the State Tax Commission

TO THE HONORABLE MEMBERS OF THIS COMMITTEE

Thank you for the opportunity to testify. My name is David Stokes, and I am director of municipal policy 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.

Missouri's property assessment and tax system needs reforms, but efforts to reduce it dramatically or eliminate it entirely go too far. Missouri depends heavily on income taxes and, in our two largest cities, local earnings taxes. Income and earnings taxes inhibit economic growth far more than property taxes do. Eliminating state income and local earnings taxes from Missouri should be the priority to provide economic benefits for everyone.

Senate Joint Resolution 111 (SJR 111) makes important reforms to property taxation in Kansas City and around the state. It is past time to remove the Kansas City school district exemption on property tax rollbacks, as this bill proposes. Furthermore, while it previously made sense to exempt debt service funds from tax rollbacks, the exemption allowance is being abused by taxing districts and needs to be reformed. This testimony analyzes SJR

111 and proposes several other property assessment and tax reforms that can improve the way we fund local governments throughout Missouri.

SJR 111 PROPOSED CHANGES

1. Remove the tax rate rollback exemption for the Kansas City 33 School District

Thousands of local taxing districts in Missouri 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 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.

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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, underassessed property valuations. At that time, the assessed value of the school district itself increased by 29%. Even with that assessment increase, the school district unfortunately chose not to lower its tax rate. Other taxing entities are required to roll back rates as assessments increase to limit the tax increases people face. In 2021, the Kansas City School District's total assessed valuation went up 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. In 2025, the school district did roll rates back by ten cents, which was a two percent reduction in the tax rate, but it was still much less than that year's assessment increase, which was over 9%.

What was the result of the Kansas City School Board's decision not to roll back its property tax rates after substantial assessment increases in 2023 and only a very small rate decrease in 2025? Very large tax increases for many people. That is not supposed to happen through reassessment, but it did. It is time to give voters the opportunity to remove the Kansas City School District's rollback exemption.

2. Removing the Debt Service Fund Exemption

In response to assessment increases during the 2025 reassessment cycle, the Wright City R-II school district in Warren County rolled its general fund property tax rate back 39 cents, from \$3.4492 per \$100 of assessed valuation to \$3.0587. Interestingly, at the same time the district increased its debt service fund tax rate by exactly the same amount, from \$0.9995 to \$1.39. In recent years, a trend has developed where it seems that some taxing

entities are taking advantage of the exemption of debt service funds from rollbacks. While the original reason for the exemption is sound—bond payments have to be paid no matter what happens to assessed valuations—this trend toward switching more funds to debt service away from the general fund is an abuse of taxpayers. Dozens of taxing entities made such an exchange in 2025, and while some of them may have been legitimate adjustments to circumstances, many are likely an attempt to maintain higher revenues from increased assessments. It is time to include debt service funds under the tax rollback requirements.

WHAT MAKES A GOOD PROPERTY TAX SYSTEM

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).

There are two different economic views on property taxation. One is the “benefits” view, according to which property taxes are a way to accommodate varying desires among the population for differing levels and qualities of public services. In this view, these different desires are generally factored into housing prices through the process called “capitalization.” Economist Charles Tiebout first proposed this view in his paper about how local governments compete for customers (i.e., residents) by offering a varying menu of local services funded by property taxes.¹

The other view of property taxes is the “capital” view—that property taxes are distortionary taxes that result in a misallocation of resources. Of course, both views can be true depending on what type of property is being taxed. The benefits view seems to be the more accurate version for land and homes, while the capital view may be more accurate for personal property, especially business equipment.

Capitalization is a complex process, especially in regions like St. Louis that have numerous taxing districts.

Prospective homebuyers typically take the time to research local public services, particularly schools, and tax rates. The combined wisdom of thousands of individual decisions is sorted into a price that is readily understood by everyone.

Capitalization works in both directions, often simultaneously. A great school district will lead to higher property prices, but high tax rates that may be used to fund those good schools will lower property prices. The low crime rates of the outer suburbs will increase prices, while the higher commuting costs will lower prices. Those lower tax rates may themselves lead to higher home prices, and this may result in the same final tax bill when rates and home values are inversely proportional.

The larger point is that with the variety of different cities, tax rates, and levels of public services that we have at the local level throughout Missouri, there is an abundance of choice, making it more likely that each buyer can find a suitable combination of taxes and services. Homeowners vote with their feet by leaving cities or counties that increase taxes too much or fail to offer quality services. This pressures local government to be efficient and to compete with one another for residents, which benefits all of us.

The problem is not with the use of property taxes to fund local governments. The problem lies in the seemingly arbitrary way in which assessments are set and the ways the Hancock taxpayer protections have become less effective over time, resulting in a lack of public faith in the property tax system's fairness in Missouri.

Until recently, the problems of significant property tax increases have been confined to Missouri's largest counties, with their professional assessors and computer-based systems. Because of the obvious factors of human nature and political survival, elected assessors in rural Missouri have not increased their appraisals as rapidly—or as accurately. This is a serious issue in cases where taxing districts cross county lines. For years, the underassessed residents of the City of Saint Louis paid less than they should have to the taxing districts they shared with Saint Louis County, such as the Zoo-Museum District. Similarly, taxpayers in accurately assessed, high-income suburban school districts subsidize underassessed rural

school districts through the foundation formula. If rural areas were more accurately assessed, that subsidy would be smaller.

RECOMMENDED CHANGES TO ASSESSMENTS IN MISSOURI

Missouri should eliminate the practice of sending thousands of assessors out into our neighborhoods every other year to assess residential property. In the current system, each county assessor uses sale prices of comparable homes or other, less accurate, methods to assess every home in the county. The county's average rate of increase—which is used to set tax rates—is determined only after all of the homes are reassessed. I believe the process should be reversed.

Jordan Rappaport, an economist with the Federal Reserve Bank of Kansas City, wrote an article titled “A Guide to Aggregate House Price Measures” for his institution's quarterly *Economic Review* in which he reviewed the various nationwide housing price indices and methods for aggregating housing prices.² This article could serve as a starting point for the Missouri State Tax Commission as it works with county assessors, local realtors, and online real estate resources to determine average county increases (or decreases) in valuation for each reassessment cycle.

Each residential, commercial, or agricultural property in a county could then be adjusted based on the county's average for that particular class or subclass of property. The various tax rates could then be adjusted based on that average, and the vast majority of homeowners would be subject to the same resulting increase (or decrease) in their overall property taxes. Such a practice would eliminate wide discrepancies from house to house that undermine faith in the current system and sometimes lead to high tax increases for some homeowners even when the overall assessment increases are modest. These individual discrepancies are common even in places where the aggregate accuracy of the assessments is high, such as Saint Louis County. Furthermore, the savings from no longer paying so many assessors could be substantial.

The appeal process should be maintained so that property owners who believe the real value of their property is less than the average still have an opportunity to reduce their assessment. When a house is sold or refinanced, the

assessment should continue to be set at the exact sales price or appraisal. This would safeguard against incorrectly undervaluing properties—particularly expensive ones—which might be underassessed over time through the use of an average-based system.

The key here is that tax rollbacks need to be strongly enforced and attempts to get around the rollback by transferring costs to the debt funds of various taxing entities (which are exempt from rollback rules) must be stopped.

In 2025 Platte County eventually used this type of system due to problems with the county assessor during the normal assessment period, and I believe it could be a model for the rest of the state.

Missouri is one of a handful of states that does not require certificates of value to be filed with a county recorder upon sale of real estate. Currently, these certificates are only required, by local ordinance, in four of Missouri's larger counties. Certificates of value should be required with the sale of all property statewide, because they offer the best assurance that the most accurate information provided by free-market forces is entered into the assessment system throughout Missouri.

If we are going to have a system of taxes based upon property assessments, we must give local officials the ability to accurately assess property. In order to address the privacy concerns of those opposed to mandatory certificates of value, the information need not be made available to the general public—but it must be available to the local assessor.

These changes would dramatically alter the assessment system in Missouri. I believe they would improve the fairness—both perceived and actual—of the overall system, while maintaining, and in many places improving, its accuracy.

RECENT CHANGES TO PROPERTY TAXES IN MISSOURI

Three years ago, the legislature addressed concerns about high property taxes by allowing counties to freeze the

property taxes on the primary homes of senior citizens. More recently, in the June 2025 special session, the legislature passed legislation establishing three different types of Missouri counties for purposes of property taxation. Both of these major changes will be harmful to Missouri's local tax system, despite being legitimate attempts to limit large tax increases.

Numerous harmful effects would come from diluting the market forces (in the form of assessments based on market values) that form the basis of property taxation. California provides us with an example of the harms of these types of property tax caps with the famous Proposition 13, passed in 1978, which dramatically limited the increases in property assessments and taxes. Proposition 13 certainly had its intended effect of making it easier for California residents to stay in their own homes. However, it also reduced mobility,³ dramatically increased alternative taxes,⁴ limited homeownership opportunities,⁵ and caused substantial tax disparities⁶ for similar properties receiving similar services. This is not what we need for Missouri. The above negative consequences are exactly what we will experience in the new zero-percent increase counties and will experience to a slightly lesser extent in the five percent counties and the counties with senior property-tax freezes.

People who live in similarly valued homes with similar public services should pay similar property taxes. The young couple who has lived in their home for a year should not pay higher property taxes than their neighbor just because their neighbor has lived there for two decades. Because the new homeowner will have their property tax level established at the purchase price of the house, their property taxes will be much higher than the taxes of the family next door who has lived in their home for many years. Even though the homes would have the same market value and receive the same government services, their tax burdens would be dramatically different. That is fundamentally unfair and leads to the types of problems we have seen in California, including adverse incentives for property owners and much higher, more economically harmful alternative taxes.

If we want to create a tax system that enhances economic growth for all Missourians, property tax limits are the least of our worries in Missouri. As Table 1 below shows, there are numerous studies that document how, in general, property taxes are the least damaging tax for economic growth.

Table: **Which Taxes Damage Growth the Most**

Study	Johansson et al. (2008)	Arnold et al. (2011)	Acosta-Ormacechea, Sola, & Yoo (2019)	Şen & Kaya (2023)
Worst	Corporate income tax	Corporate income tax	Personal income tax	Corporate income tax
2nd Worst	Personal income tax	Personal income tax	Corporate income tax	Personal income tax
3rd Worst	Consumption tax	Consumption tax	Consumption tax	Consumption tax
Least Bad	Property tax	Property tax	Property tax	Property tax

Source: <https://x.com/cremieuxrecueil>.

This table does not mean that property tax rates can be freely increased without any economic damage. Far from it. It simply demonstrates that, overall, property taxes are less harmful to growth than other, basic tax types, especially income taxes. But can property tax rates go too high? Of course they can.

A 1988 study by economist William Stine surveyed the property taxes of mid-sized New York cities. His review found that, over time, for most of the cities surveyed, “A one percent increase in the property tax rate was associated with a greater than two percent decline in the property tax base.”⁷ Empirical data from one region does not necessarily apply perfectly to another as property tax systems vary from state to state, but it’s important to note that when property taxes are too high, they can harm the property tax base—which comprises, at its core, our own neighborhoods and communities. Stine’s study demonstrated this, and it is a lesson that policymakers should heed, particularly in regard to commercial property taxes, which can be significantly higher in Missouri than other property taxes.

OTHER RECOMMENDED CHANGES TO MISSOURI’S PROPERTY TAX AND ASSESSMENT SYSTEM

1. Allow Variable Property Tax Rates on Classes of Property

A combination of state constitutional requirements and statutory laws have established the current assessment system. RSMo §137.073 requires every local government within St. Louis County (including cities, school districts, streetlight districts, and various other districts) to set a property tax rate for each subclass of property. This means that there are different tax rates for residential, commercial, agricultural, manufacturing, and personal property. The requirement to break down the tax rate by subclass was originally intended for the entire state, but eventually the rest of the state was given the opportunity to opt out if their county commission chose to do so, which every county in the state did. As a result, the rule currently only applies within St. Louis County and the city of Gladstone in Clay County.

In the rest of Missouri, every government with property tax authority sets one rate, which is then applied to all subclasses of real property. The different subclasses of personal property also are required to have the same tax rate. There are exceptions to this for certain agricultural real property and for manufacturing equipment (e.g., manufacturing personal property) in a few cities, as discussed previously. Most governments outside of St. Louis County set the same rate for real and personal property, although that is not legally required.

The risk of variable tax rates is that local officials will be tempted to place a significantly higher burden on nonvoting commercial property owners or less-frequently voting renters (via the personal property tax) to the benefit of frequently voting homeowners. Missouri’s Hancock Amendment places general limitations on raising tax rates and requires tax rollbacks and rate recapitulations. It partially protects against this risk. However, even with Missouri’s Hancock Amendment and related property tax rules, more protections against such overreach are needed to prevent unfair rate adjustments. For example,

in 2021 there were local tax increase proposals in St. Louis County in which the commercial property rate was raised more than the residential rate. In particular, Frontenac voters approved a property tax increase that doubled the residential rate but tripled the commercial property tax rate. As a reminder, commercial property is assessed at 32% of market value while residential property is assessed at 19%, so even at the same tax rate commercial property pays a higher tax bill. Limitations on raising commercial rates more than other types of rates are likely necessary in St. Louis County, and anywhere else that may adopt variable tax rates.

The purpose of the variable rates in St. Louis County was primarily to protect against rising home assessments and related higher property taxes on homes. But in the larger picture, if one class or subclass has values that are changing rapidly, such as an increase in home values or a dramatic decrease in business values (as might occur when a town's main factory closes) the variable rates allow for the changes to mainly affect the sector itself. For example, consider a situation in which home values are rising substantially but business values are staying flat. In this case, the government could focus the bulk of the tax rollbacks on the residential properties instead of being forced to spread the rate relief across all classes of property.

2. Address the Underassessment of Agricultural Land

The underassessment of farmland value in Missouri is a major issue. According to the most recent data, the U.S. Department of Agriculture values the farmland in Missouri at \$124 billion.⁸ For assessment purposes, that same farmland is valued by the Missouri State Tax Commission at just over \$2 billion.⁹ *That's less than two percent of the market value.* By comparison, commercial property is supposed to be assessed at 32% of market value and residential property is to be assessed at 19% of market value. According to a plain reading of the law, agricultural property should be assessed at 12% (there are major exceptions to that, as stated above.) But setting assessed values at under 2% of market value makes it difficult for rural areas to fund their local services. Raising taxes in such an area is difficult because the rates required to raise sufficient revenues from underassessed farmland must also

be applied to much higher assessed values of homes and businesses, leading to very large tax increases for those types of properties. Allowing more local governments in Missouri to address this disparity with variable tax rates on different subclasses of property is a good option. In the rural farmland example, it would allow for one rate on agricultural property with its very low assessment ratios, and different—presumably lower—rates on residential and commercial property with much higher assessment ratios. However, addressing the fundamental underassessment of agricultural land should be the main priority.

Consider the following actual election. In 2012, Lakeland School District in St. Clair and Henry counties in Missouri proposed a property tax increase of \$0.87 per \$100 of assessed valuation. It was soundly defeated overall, losing by wide margins in both counties, but from this point forward we are considering only St. Clair County, which has more of the district in it. \$0.87 is a large tax increase—it was a 22 percent tax increase over the present rate at that time. St. Clair County is rural. Over half the total land is farmland, but that farmland had an enormous assessment discrepancy. The market value for all of the farmland in St. Clair County in 2012 was \$395 million, but its assessed valuation for Missouri tax purposes was just \$13.4 million, or three percent of the market value for taxation purposes.

At these assessed valuations, an \$.87 tax increase worked out to a \$165 tax increase for a \$100,000 home (which is a normal price for a St. Clair County home), but only 50 cents per acre of farmland. While one might say, “kids don't live in acres, they live in homes,” and be obviously correct, the larger point is that by having so much of the land in the county assessed at such a low rate, any tax increase (whether necessary or not) that was going to raise a substantial amount of money had to include a large rate increase—large enough to give the average voter reasons to oppose it (which they clearly did). The total assessed valuation for Lakeland School District was only \$30 million in 2012, so even that 22 percent tax increase was only going to raise about \$260,000. Allowing for differing rates on various classes of property—or focusing on the proper valuation and assessment of land as discussed earlier in this paper—could help various parts of Missouri address the funding of government services in the manner best suited to those areas.

Under our Hancock Amendment, even with variable tax rates, the decision of whether to increase those rates would be up to the voters of the area, as it should be.

3. Address Personal Property Tax Flaws

According to Missouri law, tangible personal property is taxable and defined as follows¹⁰:

“Tangible personal property” includes every tangible thing being the subject of ownership or part ownership whether animate or inanimate, other than money, and not forming part or parcel of real property as herein defined, but does not include household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state tax commission, owned and used by a person in his home or dwelling place.

In practical terms, this means that you pay annual property taxes on the cars, boats, airplanes, business equipment, farm equipment, livestock, and grain stores that you or your business own. For businesses, especially a larger entity such as an automobile factory or a casino, the personal property tax on equipment can be quite large. For farmers, there is a wide variety of personal property taxes to be paid. For the average Missourian, though, the personal property tax means an annual tax on your cars.

Missouri taxes personal property more aggressively than many other states. Personal property makes up 19% of the total taxable property in Missouri,¹¹ compared to an average state tax base of 10%.¹² While many states tax business personal property similarly to Missouri, our tax on cars is particularly high. A 2022 study by Wallethub determined that Missouri has the fourth-highest property tax on cars.¹³ About half of states have no property tax on cars, including the neighboring states of Illinois, Tennessee, and Oklahoma. Perhaps—*just perhaps*—there might be more cars driving around the St. Louis-region with Illinois plates and the Kansas City-Region with Kansas plates than would otherwise be justified.

There is no doubt that the higher levels of personal property taxation have a trade off with comparatively lower levels of real estate taxation. However, one flaw in

the system is that personal property taxes are exempted from the tax rate rollback requirements that apply to real property (land and buildings). As assessed valuation of homes increases, local governments are required to roll tax rates back (at least partially) to offset that valuation increase and reduce the impact of the resulting higher taxes. That rollback law does not apply to personal property, but it should.

The value of a depreciable asset like a car always decreased over time—at least until 2021, when the value of used cars started rising due to a variety of economic factors. As reported¹⁴:

According to data released by the U.S. Bureau of Labor Statistics . . . the consumer price index for used cars and trucks jumped up by 40.5% from January 2021 to January 2022. That means within a year, the average price of used cars and trucks for urban consumers has gone up by 40.5%.

While Missouri’s average increase was lower than that, local governments received a windfall in personal property tax collections from cars at the end of 2022. Valuation increases are not supposed to lead to tax windfalls under Missouri’s Constitution, but in this instance they did. While a small number of local governments voluntarily rolled back personal property tax rates, most did not. Missouri law should be amended to require that in the years where used car valuations increase, that tax rates roll back in a manner similar to how the process works with real property.

Similarly, Missouri should reconsider the property taxes on livestock, poultry, and other farm animals. This tax only raises an estimated \$10 million per year in total for all governments.¹⁵ It is very possible that the cost in time and effort to assess and document that information is greater than the value of the taxes collected. The tax on farm animals should be removed entirely and replaced by a very slight increase in the taxes on farmland in order to be revenue-neutral for the rural taxing districts that depend heavily on agricultural property taxes.

4. **Adjust Business Personal Property Taxes, Including on Data Centers**

One of the more harmful taxes in Missouri is the personal property tax on business equipment. This is the equipment a business hires employees to operate and maintain. Office computers and copiers, farm and construction machinery, industrial plant equipment, restaurant appliances, and many other types of equipment are included. Economists Christophe Chamley and Kenneth Judd argued for low taxation rates on capital income to encourage investment, and their argument applies well to taxes on business equipment.¹⁶

Property taxes should be implemented as much as possible on the value of the land and buildings and should be greatly reduced or eliminated on the value of business machines and farm equipment. Those are the mobile capital pieces that produce our food and goods and that help provide services.

To address the high tax levels on business equipment, the Missouri state legislature authorized the City of St. Louis in RSMo §92.043 to impose lower property tax rates on business equipment than on other types of property. The very similar RSMo §92.040 allows both St. Louis and Kansas City to reduce their tax rates on business personal property, although only St. Louis has chosen to do so.

RSMo §99.040 and RSMo §99.043 could be expanded to allow (or even mandate) lower taxes on business personal property than on other classes and subclasses of property for all local governments. At a minimum, Kansas City should follow St. Louis's lead and reduce that tax as it is currently authorized to do.

Data centers are in the news now in Missouri. Much like casinos and automobile plants, data centers contain a very large amount of valuable business equipment that can generate significant property taxes. The taxes on data centers, including their land, buildings, and equipment, can potentially generate significant taxes for local communities and, just as importantly, lower the property taxes for everyone else in that community. This is because data centers will generate far more in taxes than they require in services. Consideration should be given to ensure that the taxes generated by data centers, including

the business equipment within them, are distributed as widely as possible to the various taxing entities within that community.

5. **Allow County Commercial Surcharges to Adjust with Reassessments**

In 1985, Missouri eliminated the merchants' and manufacturers' inventory tax, replacing it with a surcharge on commercial property. The new surcharge collects funds that are distributed to multiple taxing districts at the local level. At the time, it was a good idea to base the tax on the more predictable and easily forecast value of land and property, rather than ever-changing inventory. However, when this change to the constitution was enacted, some systemic quirks were also born. The law stated that the new commercial surcharge rate, which every county calculated individually at a rate that would replace the lost inventory taxes, would not roll back as assessments increased, like most other property tax rates do. Furthermore, although that original surcharge rate could never be increased, it could also only be lowered through a vote of the people—not by the local officials that people elect to make decisions like this. The result is that these commercial surcharge rates had never been lowered in any county until Clay County voters approved a slight reduction in 2022. This is despite the dramatic increase in assessed valuations statewide since 1985.

Missouri's county commercial property tax surcharge laws should be amended to allow local officials to lower the rates and mandate that the surcharge rates roll back as commercial assessments increase.

6. **Reform Ability of Local Governments to Increase Taxes Without a Vote of the People**

Governments that use technical interpretations of the laws to violate the intended meaning of those laws risk losing the trust of the public. That is what happened in Town & Country in 2024 with its property tax increase. Missouri's Hanock Amendment requires public votes on city tax increases, but the city used a statute intended for small, short-term property tax rate adjustments to institute

a large, long-term tax policy change.¹⁷ The fundamental right of the citizens of Town & Country to have a say in their local government was ignored.

There is nothing inherently wrong with municipalities trying to balance out their revenue streams so that they no longer depend so heavily on sales taxes. The reintroduction of a property tax for the first time in 27 years in Town & Country was not inherently poor policy. However, blatantly ignoring the Hancock Amendment in order to levy the new property tax without a vote of the people after so many years was absolutely poor policy. Now that one municipality has discovered this loophole, other local governments will likely follow. The state legislature should clarify that municipalities that voluntarily adjust property tax rates without a public vote must do so in the year following a general reassessment. Local governments should not be able to wait decades to make these changes, as Town & Country did. This change would give municipalities and other local governments the flexibility they need to manage their budgets while protecting the rights of taxpayers at the same time.

CONCLUSION

As I wrote at the start of this testimony, our property tax system works best when the assessments are accurate, the base is wide, and the rates are low. That is the combination that 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 have long been 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 2025 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.

(The ongoing lawsuit *Kirshhofer et al, v. State of Missouri* will determine the implementation of the changes.)

I believe that the changes proposed in SJR 111 will improve the property assessment and taxation system in Kansas City and throughout the state. I hope that the further proposals I have presented here will help this committee reform our property tax and assessment systems in a manner that will improve them for all Missourians.

NOTES

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