

## MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:10 a.m. on February 25, 1993 in Room 519-S of the Capitol.

Members present: Senator Langworthy, Senator Tiahrt, Senator Martin, Senator Bond, Senator Corbin, Senator Feleciano Jr., Senator Hardenburger, Senator Lee, Senator Reynolds, Senator Sallee, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department  
Chris Courtwright, Legislative Research Department  
Bill Edds, Revisor of Statutes  
Don Hayward, Revisor of Statutes  
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Benjamin J. Neill, Commercial Property Association  
David Cunningham, Director, Property Valuation Division

Others attending: See attached list

Senator Langworthy opened the meeting by calling the attention of the committee to the minutes in front of them. The first bill to be discussed was **SB 223**.

### **SB 223--Property taxation; annual requirements to update valuations**

Benjamin Neill, Commercial Property Association, said he was representing the county and district appraisers. He spoke about the background and history of the reappraisal in 1986. He said the hearings take up a great deal of time and more time needs to be spent on the 25 percent physical inspection. He also said the computer system is not as good as a physical inspection. He said to improve the system, more time needs to be increased for the appraisers to appraise and he suggested the physical inspection be done every other year, either the odd or even year. He said they are working on draft language to propose for **SB 223**.

David Cunningham, Director, Property Valuation Division, said the Secretary of Revenue and he supported the idea of going to a two year cycle. This is one of the items that was included that will go to the court in reference to the lawsuit. The appraisers are spending more time in the appeals process than they are spending in the appraisal process. He also said it should not mean that counties or districts could cut the budget. They will still need the same staff. He also said he thought it is a very positive move.

Senator Langworthy said Missouri does have a two year cycle, and David Cunningham said several states have 2, 3, 5, or even 6 year cycles. There was also discussion of when the amendment is drafted, the provision be put in so the tax payer would have the ability to appeal during the off year of the cycle. It was also mentioned to bring the assessed valuation form for the committee to review. It needs to be made user friendly.

### **SB 264--Interest payable on refunds of protested property**

Discussion was begun on **SB 264**. There were questions about how this was going to impact the smaller counties, and if the counties can use the tax money if the taxes were paid under protest. There was also a statement that when the property valuation is sent out, it may be lower, but if the mill levy has been raised, there may be a raise in the taxes. Some counties and taxpayers have not been willing to settle the protested taxes, and the individual taxpayer may be out a lot of money. Senator Bond said as the bill is written it is difficult to determine what the ten percent interest is applied to. Also in the appeals process, the state is slow in hearing the appeals and is it being made punitive on some very small jurisdictions? The statement was also made that it is punitive on the taxpayer if the appeal takes a long time. Interest should be paid on only the

## CONTINUATION SHEET

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amount on which the taxpayer was wrong.

Senator Langworthy closed the meeting by stating that this would be brought up at another point in time.

Senator Bond moved the approval of the minutes for February 15, 16, 17, 18, and 19, 1993. The motion was seconded by Senator Tiahrt. The motion carried.

The meeting adjourned at 11:45 a.m.

The next meeting is scheduled for February 26, 1993.

DATE: February 25, 1993

[illegible]