

HCS HB 1690 -- MOTOR VEHICLE ASSESSMENTS

SPONSOR: Reedy

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 9 to 2.

The following is a summary of the House Committee Substitute for HB 1690.

Currently, county assessors must use the October issue of the National Automobile Dealers' Association Official Used Car Guide to determine the true value of a motor vehicle. The assessor cannot use a value that is greater than the average trade-in value without performing a physical inspection, unless the car is two years old or newer.

This bill requires that the county assessor determine the true value in money for motor vehicles by using the trade-in value published in the October issue of a nationally recognized automotive trade publication selected by the State Tax Commission. The assessor will not use a value that is greater than the average trade-in value for such motor vehicle without performing a physical inspection of the vehicle, but for vehicles two years or newer from a vehicle's model, the assessor may use a value other than the average without performing a physical inspection.

Beginning January 1, 2025, the assessor applies a 15 year depreciation table to the trade-in value of motor vehicles; but in no case shall the assessed value of a motor vehicle depreciate below \$300.

To implement the provisions of this bill without large variations from the prior method of assessment, the assessor will assume that the last valuation tables used prior to October 1, 2024, are fair valuations, and that these valuations are depreciated using the table described above until the end of the vehicle's useful life.

The State Tax Commission or the State of Missouri is the registered user of the nationally recognized automotive trade publication with rights to allow all assessors access to the publication. The publication will be made available to all vendors by December 15 of each year.

This bill is similar to HB 713 (2023).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that as the assessed values of motor vehicles go up people pay higher taxes, but political subdivisions do not roll back their local tax rates. Taxpayers have no choice but to pay the higher taxes, because otherwise the Division of Motor Vehicles will not provide renewed license plates. But the increasingly higher valuations of these motor vehicles do not represent the true value of the car. As a result, taxpayers are paying levels of tax that are far too high. Supporters further say that this bill will provide certainty that the assessed values of motor vehicles will go down, and therefore supply consistency in how the tax is applied.

Testifying in person for the bill were Representative Reedy; and the Missouri Association of Counties.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.