

Sponsored by: Mike Elam,
Nancy Schneider

Resolution No. 22-10

A RESOLUTION TO ENSURE THE RE-REVIEW OF THE ST. CHARLES COUNTY PERSONAL PROPERTY TAX RATE FOR ROAD AND BRIDGE AND EMERGENCY COMMUNICATIONS WITH THE INTENT TO VOLUNTARILY LOWER THE OVERALL TAX RATE TO EFFECTIVELY KEEP FLAT THE AMOUNT OF TAX THE COUNTY COLLECTS IN TAX YEAR 2022 RELATED TO MOTOR VEHICLES COMPARED WITH TAX YEAR 2021 IN ORDER TO ADDRESS THE EFFECTS OF VEHICLE VALUE INFLATION DERIVING FROM VEHICLE SHORTAGES

WHEREAS, the St. Charles County Assessor includes amongst his duties the Missouri statutory requirement of valuing and assessing motor vehicles based on the trade-in value published in the past October issue of the National Automobile Dealers' Association (NADA) Official Used Car Guide pursuant to Missouri Revised Statute Section 137.115.9; and

WHEREAS, the tax each taxpayer pays reflects both the value of the personal property held by a taxpayer and the rate of taxation by the various jurisdictions in which that taxpayer resides; and

WHEREAS, taxing jurisdictions with personal property taxes include municipalities, school districts, fire protection districts, the library district, the community college, ambulance

and other special districts and county road and bridge and county emergency communications; and

WHEREAS, St. Charles County has no general fund personal property tax or real property tax; and

WHEREAS, while the State of Missouri, to comport with the third major provision of the Hancock Amendment in the Missouri Constitution (Article X, Sections 16 and 22), requires a rollback of tax rates for all jurisdictions if inflation causes an increase in the level of taxes at the time of adoption, adjusted for inflation; and

WHEREAS, Missouri statute, RSMo. Section 137.073, directs the Assessor to exclude personal property increases in value from the tax rate limitations of the Hancock Amendment and Missouri law; and

WHEREAS, while the St. Charles County Council recognizes that the County's portion of any taxpayer's property tax payment is limited to a very small percentage of the taxpayer's bill, without an amendment to the tax rates county government is projected to collect an additional approximately \$600,000 of the windfall to the taxing jurisdictions that is expected to result from the statutorily required calculation involving the temporary increase in the value of vehicles; and

WHEREAS, over July and August the Board of Equalization will act on taxpayer claims that their assessments of personal property are incorrect, and the outcomes of that appeal process will be brought forward in the certified Board of Equalization totals; and

WHEREAS, given the present overall rate of inflation, taxpayers should not face the burden of increased personal property taxation due to the inflationary increase due to a national shortage of vehicles and the consequent impact of the increased value of used vehicles reflected in the 2021 NADA Official Used Car Guide; and

WHEREAS, Missouri tax law does not allow separate tax rates for motor vehicles and other forms of property; and

WHEREAS, while the Missouri statute concerning personal vehicles has created this unprecedented increase in value of used vehicles, each taxing jurisdiction can only adjust its overall rate of taxation on all property, real and personal, to account for the one time increase in vehicle values; and

WHEREAS, the decision to voluntarily lower the tax rate on these funds to compensate for this Missouri statute will not be undertaken lightly in that the rate cannot be corrected until 2024 under current Missouri statute RSMo. 137.073.5(3).

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF ST. CHARLES COUNTY, MISSOURI, AS FOLLOWS:

Section 1. After it receives the Board of Equalization's final report, the St. Charles County Council intends to set the tax rates for Road and Bridge and Emergency Communications with the intent to voluntarily lower the overall tax rate to effectively keep flat the amount of tax the County collects in 2022 compared with tax year 2021 in order to

address the effects of vehicle value inflation arising from vehicle shortages.

Section 2.

The Executive Assistant to the Council shall provide a certified copy of this resolution to the Governor of the State of Missouri and to the members of the St. Charles County legislative delegation. The County Council respectfully requests that that the members of the delegation jointly sponsor and file legislation at their first opportunity to amend RSMo. Section 137.073 to eliminate the exception in Missouri statutes which authorizes exclusion of personal property increases in value from the tax rate limitation of the Hancock Amendment and Missouri law and make increases in personal property subject to the roll-back provisions of state statute.

DATE PASSED

CHAIR OF THE COUNCIL