

Summary of SC94269, *Airport Tech Partners LLP and Stentor Company LLP v. State of Missouri and City of Kansas City, Missouri*

Appeal from the Cole County circuit court, Judge Jon Beetem

Argued and submitted November 13, 2014; opinion issued June 16, 2015

Attorneys: The companies were represented by Thomas W. Rynard, James B. Deutsch, Marc H. Ellinger and Thomas R. Schwarz Jr. of Blitz, Bardgett & Deutsch LC in Jefferson City, (573) 634-2500. The state was represented by Gary L. Gardner of the attorney general's office in Jefferson City, (573) 751-3321. The city was represented by Gaelen P. Beaufort of the city attorney's office in Kansas City, (816) 516-3122.

This summary is not part of the opinion of the Court. It has been prepared by the communications counsel for the convenience of the reader. It neither has been reviewed nor approved by the Supreme Court and should not be quoted or cited.

Overview: Two companies appeal the trial court's determination that they did not have standing (legal ability to bring suit) to seek a judgment that a portion of a state statute governing tax assessments of certain airport property is unconstitutional. In a unanimous decision written by Judge Laura Denvir Stith, the Supreme Court of Missouri affirms the trial court's decision. The companies did not show that they have standing as taxpayers because they presented only speculative evidence that the county tax levy would increase as a result of the statute's application and because Missouri law does not permit taxpayers to challenge the tax assessments of other property owners.

Facts: Airport Tech Partners and Stentor Company (collectively "Airport Tech") own and pay taxes on commercial properties in Platte County. In 2008, the legislature amended section 137.115.1, RSMo, to provide that, in return for improvements made to airport property by a private party, the cost of those improvements will be deducted from the property's value before it is assessed for tax purposes. In 2011, another company made improvements to Platte County land located within the Kansas City International Airport boundary. Airport Tech filed suit and argued that the statutory provision violates the uniformity requirement set out in article X, section 3 of the Missouri Constitution by treating airport property different than other commercial property of the same class or subclass for tax purposes. The trial court ruled that the companies did not have standing as taxpayers to bring their lawsuit because their core argument was simply that "[i]f someone's taxes go down, mine will go up" – a basis for standing not recognized under Missouri law. Airport Tech appeals.

AFFIRMED.

Court en banc holds: Airport Tech lacks standing to challenge the constitutional validity of the challenged portion of section 137.115.1. There are three recognized bases for taxpayer standing: when there is a direct expenditure of funds generated through taxation; an increased levy in taxes; or a pecuniary loss resulting from the challenged action of the municipality. Although Airport Tech alleges an increased tax levy resulting from the application of the statutory provision to the airport property, it has failed to show that the levy increased or, even if it had, that the statute was applied to the property in question. In fact, affidavits from officials in the

Platte County assessor's office indicate that the statutory provision was not applied to the airport property prior to the filing of Airport Tech's lawsuit. It is speculation to argue either that the levy was affected by the statutory provision or that the levy will be raised in the future in response to the provision. Airport Tech's remaining argument – essentially, that the application of the statutory provision to the airport property will cause its own tax burden to increase – does not support standing under Missouri's well-established rule that taxpayer plaintiffs lack standing to challenge their neighbors' property tax assessments. In the absence of a plaintiff with standing to challenge the constitutional validity of the statute, this Court can take no action but to affirm the trial court's judgment.