

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
**HOUSE BILL NOS. 517, 94, 149,
150 & 342**
92ND GENERAL ASSEMBLY

Reported from the Committee on Senior Security, March 3, 2003, with recommendation that the House Committee Substitute for House Bill Nos. 517, 94, 149, 150 & 342 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

1169L.07C

AN ACT

To repeal section 208.565, RSMo, and to enact in lieu thereof two new sections relating to assistance for the elderly, with an emergency clause for a certain section.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 208.565, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 137.106 and 208.565, to read as follows:

- 137.106. 1. This section shall be known and may be cited as "The Missouri Homestead Preservation Act".**
- 2. Notwithstanding any provision of law to the contrary, the assessed value of primary residential property, excluding any value added by new construction or improvements, which is owned by any person who is sixty-five years of age or older and who uses the property as a homestead, as defined in section 135.010, RSMo, shall not increase by more than five percent during any tax-year reassessment cycle during the period of time the person resides on that property after attaining the age of sixty-five years. Any person claiming a homestead exemption pursuant to this section shall be required to pay an enrollment of fifteen dollars each assessment cycle with the revenue being deposited in the assessment fund of each county and any city not within a county. Moneys deposited into the assessment fund may be expended for administrative costs associated with the Missouri homestead act. Age and years of residence for purposes of this section shall be**

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

14 **determined as of January first of each odd-numbered year; provided, however, that such**
15 **information shall be provided by affidavit of the owner of homestead property by such**
16 **date to the county assessor.**

17 **3. No person claiming a homestead exemption pursuant to this section shall be**
18 **eligible to claim the property tax credit allowed in sections 135.010 to 135.035, RSMo, and**
19 **no person claiming the property tax credit allowed in sections 135.010 to 135.035, RSMo,**
20 **shall be eligible to claim the homestead exemption pursuant to this section.**

21 **4. The state tax commission shall promulgate rules and regulations to administer**
22 **this section in accordance with the intent of the general assembly that this section be**
23 **construed liberally to promote maximum property tax relief for persons sixty-five years**
24 **of age and older. No rule or portion of a rule promulgated pursuant to the authority of this**
25 **section shall become effective unless it has been promulgated pursuant to chapter 536,**
26 **RSMo.**

27 **5. The general assembly shall appropriate moneys from the general revenue fund**
28 **so that any political subdivision losing revenue during the time the assessed value on the**
29 **real property was exempt pursuant to this section shall receive proportional restitution,**
30 **based on the ratio the tax levy of each subdivision bears to the total tax levy between the**
31 **time the exemption was granted pursuant to this section and the assessment value at the**
32 **time of the sale.**

33 **6. No person with a household combined adjusted gross income of more than the**
34 **household exemption maximum base amount shall be eligible to claim the homestead**
35 **exemption allowed pursuant to this section. For purposes of this section, the term**
36 **"homestead exemption maximum base amount" shall, in the calendar year 2003, be the**
37 **sum of thirty-nine thousand dollars and for each succeeding calendar year the sum shall**
38 **be the sum of the previous year increased, in one hundred dollar increments, by the same**
39 **percentage as the increase in the general price level as measured by the consumer price**
40 **index for the United States, or its successor index, as defined and officially recorded by the**
41 **United States Department of Labor, or its successor agency. Beginning January 1, 2004,**
42 **the state tax commission shall determine the homestead exemption maximum base amount**
43 **from the increase in the consumer price index for the previous twelve-month period and**
44 **shall certify such base amount to each county clerk each calendar year.**

45 **7. This section shall become effective January 1, 2004, and shall apply to all taxable**
46 **years beginning after December 31, 2003.**

47 208.565. 1. The division shall negotiate with manufacturers for participation in the
48 program. The division shall issue a certificate of participation to pharmaceutical manufacturers
49 participating in the Missouri Senior Rx program. A pharmaceutical manufacturer may apply for

50 participation in the program with an application form prescribed by the commission. A
51 certificate of participation shall remain in effect for an initial period of not less than one year and
52 shall be automatically renewed unless terminated by either the manufacturer or the state with
53 sixty days' notification.

54 2. **For all transactions occurring prior to July 1, 2003, the rebate amount for each**
55 **drug shall be fifteen percent of the average manufacturer's price as defined in 42 U.S.C.**
56 **Section 1396r-8(d)(1). For all transactions occurring on and after July 1, 2003, the rebate**
57 **amount for [each drug] name brand prescription drugs shall be fifteen percent and the rebate**
58 **amount for generic prescription drugs shall be eleven percent** of the average manufacturers'
59 price as defined pursuant to 42 U.S.C. **Section 1396r-8(k)(1).** No other discounts shall apply.
60 In order to receive a certificate of participation a manufacturer or distributor participating in the
61 Missouri Senior Rx program shall provide the division of aging the average manufacturers' price
62 for their contracted products. The following shall apply to the providing of average
63 manufacturers' price information to the [division of aging] **department of health and senior**
64 **services:**

65 (1) Any manufacturer or distributor with an agreement under this section that knowingly
66 provides false information is subject to a civil penalty in an amount not to exceed one hundred
67 thousand dollars for each provision of false information. Such penalties shall be in addition to
68 other penalties as prescribed by law;

69 (2) Notwithstanding any other provision of law, information disclosed by manufacturers
70 or wholesalers pursuant to this subsection or under an agreement with the division pursuant to
71 this section is confidential and shall not be disclosed by the division or any other state agency
72 or contractor therein in any form which discloses the identity of a specific manufacturer or
73 wholesaler or prices charged for drugs by such manufacturer or wholesaler, except to permit the
74 state auditor to review the information provided and the division of medical services for rebate
75 administration.

76 3. All rebates received through the program shall be used toward refunding the program.
77 If a pharmaceutical manufacturer refuses to participate in the rebate program, such refusal shall
78 not affect the manufacturer's status under the current Medicaid program. There shall be no drug
79 formulary, prior approval system, or any similar restriction imposed on the coverage of
80 outpatient drugs made by pharmaceutical manufacturers who have agreements to pay rebates for
81 drugs utilized in the Missouri Senior Rx program, provided that such outpatient drugs were
82 approved by the Food and Drug Administration.

83 4. Any prescription drug of a manufacturer that does not participate in the program shall
84 not be reimbursable.

Section B. Because immediate action is necessary to ensure the fiscal stability of the

2 Senior Rx program, the repeal and reenactment of section 208.565 of section A of this act is
3 deemed necessary for the immediate preservation of the public health, welfare, peace, and safety,
4 and is hereby declared to be an emergency act within the meaning of the constitution, and the
5 repeal and reenactment of section 208.565 of section A of this act shall be in full force and effect
6 upon its passage and approval.