

SECOND REGULAR SESSION

HOUSE BILL NO. 1962

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRASER.

Read 1st time March 7, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

5247L.01I

AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to a homestead exemption for senior citizens and disabled persons.

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

Section A. Chapter 137, RSMo, is amended by adding thereto one new section, to be known as section 137.099, to read as follows:

137.099. 1. As used in this section, the following terms mean:

(1) "Eligible taxpayer", any individual owner of property who is sixty-five years old or older as of January first of the tax year in which the individual is claiming exemption, or an individual with a disability receiving Social Security income, who had a household income of equal to or less than seventy thousand dollars in the year before the first year of the claimed exemption, and who resides in the homestead. In the case of property held in trust, "eligible taxpayer" shall include the settlor of a trust, as applicable, and the trust when the previous owner of the homestead or the previous owner's spouse is a settlor of the trust with respect to the homestead, resides in the homestead, and such previous owner meets the age and household income limitations of this subsection;

(2) "Homestead", property located in any county with a charter form of government and with more than one million inhabitants that is used as the principal dwelling of an eligible taxpayer along with appurtenances thereto and personal property thereon and up to five acres of land surrounding it as it is reasonably necessary for use of the dwelling as a home; provided, however, that the dwelling shall have been owned in fee

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

16 simple by the eligible taxpayer for a continuous period of not less than five years. If the
17 homestead is located in a multi-unit building, the homestead is the portion of the building
18 actually used as the principal dwelling and its percentage of the value of the common
19 elements and of the value of the property upon which it is built. The percentage is the
20 value of the unit consisting of the homestead compared to the total value of the building
21 exclusive of common elements, if any;

22 (3) "Household", a person or group of persons living together in a room or group
23 of rooms as a housing unit, but the term does not include persons boarding in or renting
24 a portion of the dwelling;

25 (4) "Household income", the federal adjusted gross income as defined in Section
26 62 of the United States Internal Revenue Code, as amended, of all persons in the
27 household;

28 (5) "Individual with a disability", a person with a physical or mental impairment
29 which substantially limits one or more of a person's major life activities, or who is regarded
30 as having such an impairment, or has a record of having such an impairment;

31 (6) "Partially exempt property", the homestead upon which increases in the
32 assessed valuation are exempt under this section;

33 (7) "Taxes" or "property taxes", ad valorem taxes, assessments, fees, and charges
34 entered on the assessment and tax roll.

35 2. For all taxable years beginning on or after January 1, 2007, any eligible taxpayer
36 may request an exemption on increases in the assessed value on homestead property
37 beyond the assessed value of the property in the previous year, by obtaining an exemption
38 after January first and on or before October fifteenth of the first year in which exemption
39 is first claimed.

40 3. In order to qualify for the exemption under this section, the following
41 requirements shall be met when the application for the exemption is filed and thereafter
42 so long as the increases in assessed value remain exempt:

43 (1) The property shall be the homestead of the eligible taxpayer who files the
44 application for exemption, except for an eligible taxpayer required to be absent from the
45 homestead by reason of health who owns the dwelling jointly with one or more eligible
46 taxpayers;

47 (2) No prohibition to the exemption provided in this section exists in any provision
48 of federal law, rule, or regulation applicable to a mortgage, trust deed, land sale contract
49 for which the homestead is security.

50 **4. An applicant's claim for exemption under this section shall be filed with the**
51 **county assessor in writing on a form supplied by the department of revenue and shall**
52 **describe the homestead and:**

53 **(1) Recite facts establishing the eligibility for the exemption under this section,**
54 **including facts that establish that the household income of the individual or individuals in**
55 **the household was, for the calendar year immediately preceding the calendar year in which**
56 **the claim was filed, seventy thousand dollars or less; or**

57 **(2) Have attached any documentary proof required by the director of revenue for**
58 **the county to show that the requirements of this section have been met.**

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60 **The federal income tax returns of all persons who reside at the homestead shall be**
61 **sufficient documentation of eligibility with respect to income guidelines.**

62 **5. The county assessor shall forward each application filed under this section to the**
63 **director of revenue for the county, who shall determine if the property is eligible for the**
64 **exemption. If eligibility for exemption of the homestead's increases in assessed value is**
65 **established, the county director of revenue shall notify the county assessor who shall show**
66 **on the current ad valorem assessment records and tax roll all partially exempt property**
67 **by an entry clearly designating such property as partially exempt property.**

68 **6. Exemption of increases in assessed value shall terminate when:**

69 **(1) The eligible taxpayer who claimed exemption on the increases in assessed value**
70 **on the homestead dies, or if there was more than one claimant, the survivor of the eligible**
71 **taxpayer who originally claimed the exemption under this section dies;**

72 **(2) The partially exempt property is sold or otherwise transferred, except when**
73 **transferred to a trust of which the eligible taxpayer applicant is the settlor. For the**
74 **purposes of partially exempt property held by joint tenants, a transfer under this**
75 **subsection shall include the addition of a joint tenant, whether by deed transfer or**
76 **otherwise;**

77 **(3) The partially exempt property is no longer the homestead of the eligible**
78 **taxpayer who applied for the exemption, except in the case of an eligible taxpayer required**
79 **to be absent from such partially exempt property by reason of health and so long as the**
80 **absent eligible taxpayer owns the dwelling jointly with one or more eligible taxpayers;**

81 **(4) The partially exempt property is a manufactured structure or floating home**
82 **which is moved out of the state.**

83 **7. (1) Whenever the assessed value exemption terminates, the exemption on the**
84 **increases in assessed value for the assessment year in which the termination of exemption**
85 **occurs shall continue for the remainder of the assessment year;**

86 **(2) Within sixty days of the occurrence of any event that causes termination of the**
87 **exemption under this section, the eligible taxpayer of the homestead shall notify the**
88 **assessor that such homestead no longer qualifies for exemption.**

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