

SECOND REGULAR SESSION

HOUSE BILL NO. 2276

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BIVINS (Sponsor), DOUGHERTY, JONES (89), NIEVES, RUESTMAN, PAGE, AVERY, MOORE, YAEGER, LEMBKE AND EMERY (Co-sponsors).

Read 1st time February 27, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4786L.01I

AN ACT

To repeal sections 135.010, 135.015, 135.020, 135.025, 135.030, 135.035, 137.072, 137.106, 137.750, and 139.031, RSMo, and to enact in lieu thereof thirty-one new sections relating to property taxation.

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

Section A. Sections 135.010, 135.015, 135.020, 135.025, 135.030, 135.035, 137.072, 137.106, 137.750, and 139.031, RSMo, are repealed and thirty-one new sections enacted in lieu thereof, to be known as sections 135.010, 135.015, 135.020, 135.025, 135.030, 135.035, 135.037, 135.039, 135.041, 135.043, 135.045, 135.047, 135.049, 135.051, 135.053, 135.059, 135.061, 135.063, 135.065, 135.066, 135.067, 135.073, 135.075, 135.077, 135.079, 135.083, 137.072, 137.106, 137.750, 138.435, and 139.031, to read as follows:

135.010. **1.** As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a

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.

10 veteran of any branch of the armed forces of the United States or this state who became one
11 hundred percent disabled as a result of such service, or the claimant or spouse is disabled as
12 defined in subdivision (2) of this section, and such claimant or spouse provides proof of such
13 disability in such form and manner, and at such times, as the director of revenue may require, or
14 if the claimant has reached the age of sixty on or before the last day of the calendar year and such
15 claimant received surviving spouse Social Security benefits during the calendar year and the
16 claimant provides proof, as required by the director of revenue, that the claimant received
17 surviving spouse Social Security benefits during the calendar year for which the credit will be
18 claimed. A claimant shall not be allowed a property tax credit if the claimant filed a valid claim
19 for a credit under section 137.106, RSMo, in the year following the year for which the property
20 tax credit is claimed. The residency requirement shall be deemed to have been fulfilled for the
21 purpose of determining the eligibility of a surviving spouse for a property tax credit if a person
22 of the age of sixty-five years or older who would have otherwise met the requirements for a
23 property tax credit dies before the last day of the calendar year. The residency requirement shall
24 also be deemed to have been fulfilled for the purpose of determining the eligibility of a claimant
25 who would have otherwise met the requirements for a property tax credit but who dies before
26 the last day of the calendar year;

27 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any
28 medically determinable physical or mental impairment which can be expected to result in death
29 or which has lasted or can be expected to last for a continuous period of not less than twelve
30 months. A claimant shall not be required to be gainfully employed prior to such disability to
31 qualify for a property tax credit;

32 (3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length,
33 of a homestead during the calendar year, exclusive of charges for health and personal care
34 services and food furnished as part of the rental agreement, whether or not expressly set out in
35 the rental agreement. If the director of revenue determines that the landlord and tenant have not
36 dealt at arm's length, and that the gross rent is excessive, then he shall determine the gross rent
37 based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually
38 paid prior to the date a return is filed. The director of revenue may prescribe regulations
39 requiring a return of information by a landlord receiving rent, certifying for a calendar year the
40 amount of gross rent received from a tenant claiming a property tax credit and shall, by
41 regulation, provide a method for certification by the claimant of the amount of gross rent paid
42 for any calendar year for which a claim is made. The regulations authorized by this subdivision
43 may require a landlord or a tenant or both to provide data relating to health and personal care
44 services and to food. Neither a landlord nor a tenant may be required to provide data relating to
45 utilities, furniture, home furnishings or appliances;

46 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to
47 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a
48 home. It may consist of part of a multidwelling or multipurpose building and part of the land
49 upon which it is built. "Owned" includes a vendee in possession under a land contract and one
50 or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant
51 actually in possession if he was the immediate former owner of record, if a lineal descendant is
52 presently the owner of record, and if the claimant actually pays all taxes upon the property. It
53 may include a mobile home;

54 (5) "Income", Missouri adjusted gross income as defined in section 143.121, RSMo, less
55 two thousand dollars as an exemption for the claimant's spouse residing at the same address, and
56 increased, where necessary, to reflect the following:

57 (a) Social Security, railroad retirement, and veterans payments and benefits unless the
58 claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one
59 hundred percent service-connected, disabled veteran. The one hundred percent
60 service-connected disabled veteran shall not be required to list veterans payments and benefits;

61 (b) The total amount of all other public and private pensions and annuities;

62 (c) Public relief, public assistance, and unemployment benefits received in cash, other
63 than benefits received under this chapter;

64 (d) No deduction being allowed for losses not incurred in a trade or business;

65 (e) Interest on the obligations of the United States, any state, or any of their subdivisions
66 and instrumentalities;

67 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,
68 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.
69 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed.
70 The director of revenue shall require a tax receipt or other proof of property tax payment. If a
71 homestead is owned only partially by claimant, then "property taxes accrued" is that part of
72 property taxes levied on the homestead which was actually paid by the claimant. For purposes
73 of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of
74 revenue for collection. If a claimant owns a homestead part of the preceding calendar year and
75 rents it or a different homestead for part of the same year, "property taxes accrued" means only
76 taxes levied on the homestead both owned and occupied by the claimant, multiplied by the
77 percentage of twelve months that such property was owned and occupied as the homestead of
78 the claimant during the year. When a claimant owns and occupies two or more different
79 homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable
80 to those several properties occupied by the claimant as a homestead for the year. If a homestead
81 is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building,

82 property taxes accrued shall be that percentage of the total property taxes accrued as the value
83 of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel
84 of property covered by a single tax statement of which the homestead is a part;

85 (7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by
86 a claimant and spouse in the calendar year.

87 **2. This section shall expire January 1, 2009.**

135.015. 1. Procedural matters related to filing a claim under sections 135.010 to
2 135.030, including refunds, deficiencies, interest, contents of returns, limitations, and penalties
3 shall be determined pursuant to sections 143.481 to 143.996, RSMo, applicable to the income
4 tax. The credit regarding the property taxes of a calendar year may only be claimed on a return
5 for the calendar year or for a claimant's return for a fiscal year that includes the end of the
6 calendar year.

7 **2. This section shall expire January 1, 2009.**

135.020. 1. A credit for property taxes shall be allowed for the amount provided in
2 section 135.030. If the amount allowable as a credit exceeds the income tax reduced by other
3 credits, then the excess shall be considered an overpayment of the income tax.

4 **2. This section shall expire January 1, 2009.**

135.025. 1. The property taxes accrued and rent constituting property taxes accrued on
2 each return shall be totaled. This total, up to seven hundred fifty dollars, shall be used in
3 determining the property tax credit. The director of revenue shall prescribe regulations providing
4 for allocations where part of a claimant's homestead is rented to another or used for nondwelling
5 purposes or where a homestead is owned or rented or used as a dwelling for part of a year.

6 **2. This section shall expire January 1, 2009.**

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, for each calendar year after December 31,
3 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For the
4 calendar year beginning on January 1, 2008, the maximum upper limit shall be the sum of
5 twenty-seven thousand five hundred dollars;

6 (2) The term "minimum base" shall, for each calendar year after December 31, 1997, but
7 before calendar year 2008, be the sum of thirteen thousand dollars. For the calendar year
8 beginning January 1, 2008, the minimum base shall be the sum of fourteen thousand three
9 hundred dollars.

10 2. If the income on a return is equal to or less than the maximum upper limit for the
11 calendar year for which the return is filed, the property tax credit shall be determined from a table
12 of credits based upon the amount by which the total property tax described in section 135.025
13 exceeds the percent of income in the following list:

14	If the income on the return is:	The percent is:
15		
16	Not over the minimum base	0 percent with credit not to
17		exceed actual property tax
18		or rent equivalent paid up
19		to \$750
20		
21	Over the minimum base but	1/16 percent accumulative
22	not over the maximum upper	per \$300 from 0 percent
23	limit	to 4 percent.
24		

25 The director of revenue shall prescribe a table based upon the preceding sentences. The property
 26 tax shall be in increments of twenty-five dollars and the income in increments of three hundred
 27 dollars. The credit shall be the amount rounded to the nearest whole dollar computed on the
 28 basis of the property tax and income at the midpoints of each increment. As used in this
 29 subsection, the term "accumulative" means an increase by continuous or repeated application of
 30 the percent to the income increment at each three hundred dollar level.

31 3. Notwithstanding subsection 4 of section 32.057, RSMo, the department of revenue
 32 or any duly authorized employee or agent shall determine whether any taxpayer filing a report
 33 or return with the department of revenue who has not applied for the credit allowed pursuant to
 34 section 135.020 may qualify for the credit, and shall notify any qualified claimant of the
 35 claimant's potential eligibility, where the department determines such potential eligibility exists.

36 **4. This section shall expire January 1, 2009.**

135.035. **1.** Sections 135.010, 135.015, 135.025, and 135.030 shall be effective with
 2 respect to claims filed for the calendar year 1975 and [thereafter] **all tax years ending on or**
 3 **before December 31, 2008.**

4 **2. This section shall expire January 1, 2009.**

135.037. As used in sections 135.037 to 135.083, the following terms shall mean:

- 2 (1) "Department", the department of revenue;
- 3 (2) "Director", the director of revenue;
- 4 (3) "Equity interest", the difference between the assessed value of the property by
- 5 the county assessor's office and the total of:
- 6 (a) All debts from the lien of mortgage, deeds of trust or security interests which
- 7 are recorded or noted on a certificate of title before January first of the current tax year;
- 8 and
- 9 (b) Accumulated deferred taxes;

10 (4) "Homestead", the owner occupied principal dwelling, either real or personal
11 property, owned by the taxpayer and the tax lot upon which it is located. If the homestead
12 is located in a multi-unit building, the homestead is the portion of the building actually
13 used as the principal dwelling and its percentage of the value of the common elements and
14 of the value of the tax lot upon which it is built. The percentage is the value of the unit
15 consisting of the homestead compared to the total value of the building exclusive of the
16 common elements, if any;

17 (5) "Household income", the federal adjusted gross income;

18 (6) "Maximum upper limit", fifty thousand dollars;

19 (7) "Taxpayer", an individual who has filed a claim for deferral under section
20 135.039 or individuals who have jointly filed a claim for deferral under section 135.039;

21 (8) "Tax-deferred property", the property upon which taxes are deferred under
22 sections 135.037 to 135.083;

23 (9) "Taxes" or "property taxes", ad valorem taxes, assessments, fees and charges
24 entered on the assessment and tax roll.

 135.039. 1. An individual, or two or more individuals jointly, may elect to defer the
2 property taxes on their homestead by filing a claim for deferral with the county assessor
3 after January first and on or before October fifteenth of the first year in which deferral
4 is claimed if the individual, or, in the case of two or more individuals filing a claim jointly,
5 the older individual, is sixty-five years of age or older on October fifteenth of the year in
6 which the claim is filed.

7 2. In order to make the election described in subsection 1 of this section, the
8 individual shall have, or in case of two or more individuals filing a claim jointly, all of the
9 individuals together shall have household income for the calendar year immediately
10 preceding the calendar year in which the claim is filed of less than the maximum upper
11 limit.

12 3. The county assessor shall forward each claim filed under this section to the
13 director of revenue which shall determine if the property is eligible for deferral.

14 4. When the taxpayer elects to defer property taxes for any year by filing a claim
15 for deferral under subsection 1 of this section, it shall have the effect of:

16 (1) Deferring the payment of the property taxes levied on the homestead for the
17 fiscal year beginning on January first of such year;

18 (2) Continuing the deferral of the payment by the taxpayer of any property taxes
19 deferred under sections 135.037 to 135.083 for previous years which have not become
20 delinquent under section 135.061;

21 (3) Continuing the deferral of the payment by the taxpayer of any future property
22 taxes for as long as the provisions of section 135.041 are met.

23 5. If a guardian or conservator has been appointed for an individual otherwise
24 qualified to obtain deferral of taxes under sections 135.037 to 135.083, the guardian or
25 conservator may act for such individual in complying with the provisions of sections
26 135.037 to 135.083.

27 6. If a trustee of an inter vivos trust which was created by and is revocable by an
28 individual, who is both the settlor and a beneficiary of the trust and who is otherwise
29 qualified to obtain a deferral of taxes under sections 135.037 to 135.083, owns the fee
30 simple estate under a recorded instrument of sale, the trustee may act for the individual
31 in complying with the provisions of sections 135.037 to 135.083.

32 7. Nothing in this section shall be construed to require a spouse of an individual to
33 file a claim jointly with the individual even though the spouse may be eligible to claim the
34 deferral jointly with the individual.

35 8. Any person aggrieved by the denial of a claim for deferral of homestead property
36 taxes or disqualification from deferral of homestead property taxes may appeal in the
37 manner provided for denial of a claim under section 143.841, RSMo.

 135.041. In order to qualify for tax deferral under sections 135.037 to 135.083, the
2 property shall meet all of the following requirements when the claim is filed and thereafter
3 so long as the payment of taxes by the taxpayer is deferred:

4 (1) The property shall be the homestead of the individual or individuals who file
5 the claim for deferral, except for an individual required to be absent from the homestead
6 by reason of health;

7 (2) The person claiming the deferral shall, by himself or herself or together with
8 his or her spouse, own the fee simple estate or be purchasing the fee simple estate under
9 a recorded instrument of sale, or two or more persons shall together own or be purchasing
10 the fee simple estate with rights of survivorship under a recorded instrument of sale if all
11 owners live in the homestead and if all owners apply for the deferral jointly;

12 (3) There shall be no prohibition to the deferral of property taxes contained in any
13 provision of federal law, rule or regulation applicable to a mortgage, trust deed, land sale
14 contract or conditional sale contract for which the homestead is security;

15 (4) The equity interest in the homestead is a positive number equal to or exceeding
16 ten percent of the assessed value of the homestead; and

17 (5) The person claiming the deferral shall, by himself or herself or together with
18 his or her spouse, show proof of insurance on the homestead in an amount equal to or
19 exceeding the assessed value of the homestead to the director of revenue.

135.043. 1. A taxpayer's claim for deferral under section 135.039 shall be in writing on a form supplied by the department and shall:

(1) Describe the homestead;

(2) Recite facts establishing the eligibility for the deferral under the provisions of sections 135.037 to 135.083, including facts that establish that the household income of the individual, or in the case of two or more individuals claiming the deferral jointly, was, for the calendar year immediately preceding the calendar year in which the claim is filed, less than the amount required under section 135.039;

(3) Have attached any documentary proof required by the director to show that the requirements of sections 135.037 to 135.083 have been met.

2. There shall be annexed to the claim a statement verified by a written declaration of the applicant making the claim to the effect that the statements contained in the claim are true.

135.045. 1. If eligibility for deferral of homestead property is established as provided in sections 135.037 to 135.083, the director of revenue shall notify the county assessor and the county assessor shall show on the current ad valorem assessment and tax roll which property is tax-deferred property by an entry clearly designating such property as tax-deferred property.

2. When requested by the director, the tax collector shall send to the director as soon as the taxes are extended upon the roll the tax statement for each tax-deferred property.

135.047. 1. In each county in which there is tax-deferred property, the director of revenue shall cause to be recorded in the mortgage records of the county a list of tax-deferred properties of that county. The list shall contain a description of the property as listed on the assessment roll together with the name of the owner listed thereon.

2. Except as provided in section 135.053, the recording of the tax-deferred properties under subsection 1 of this section is notice that the director claims a lien against those properties in the amount of the deferred taxes together with any fees paid to the county clerk in connection with the recording, release or satisfaction of the lien, even though the amount of taxes or fees is not listed.

3. Notwithstanding any provisions of law to the contrary, the director shall not be required to pay any filing, indexing or recording fees to the county in connection with the recording, release or satisfaction of liens against tax-deferred properties of that county in advance or at the time entry is made.

135.049. 1. Upon determining the amount of deferred taxes on tax-deferred property for the tax year, the director shall pay to the respective county tax collectors an

3 amount equivalent to the deferred taxes less two percent thereof. Payment shall be made
4 from the account established under section 135.083.

5 2. The director shall maintain accounts for each deferred property and shall accrue
6 interest only on the actual amount of taxes advanced to the county.

7 3. If only a portion of taxes are deferred under section 135.065, the director shall
8 pay the portion that is eligible for deferral to the tax collector and shall provide a separate
9 notice to the county assessor stating the amount of property taxes that the director is
10 paying.

135.051. 1. On or before December fifteenth of each year, the director of revenue
2 shall send a notice to each taxpayer who is qualified to claim deferral of property taxes for
3 the current tax year. The notice shall:

4 (1) Inform the taxpayer that the property taxes have or have not been deferred in
5 the current year;

6 (2) Show the total amount of deferred taxes remaining unpaid since initial
7 application for deferral to November fifteenth of the current year;

8 (3) Inform the taxpayer that voluntary payment of the deferred taxes may be made
9 at any time to the director of revenue; and

10 (4) Contain any other information that the director considers necessary to facilitate
11 administration of the homestead deferral program.

12 2. The director shall give the notice required under subsection 1 of this section by
13 an unsealed postcard or other form of mail sent to the residence address of the taxpayer
14 as shown in the claim for deferral or as otherwise determined by the director to be the
15 correct address of the taxpayer.

16 3. Any taxpayer who meets the requirements of section 135.039 and whose
17 homestead meets the requirements of section 135.041 who has not deferred their property
18 tax for the preceding calendar year and who has deferred in prior years shall be permitted
19 to file the application required by section 135.043 until January thirtieth of the following
20 calendar year.

135.053. 1. At the time that the taxpayer elects to defer property taxes under
2 sections 135.037 to 135.083, the director of revenue shall estimate the amount of property
3 taxes that will be deferred for tax years beginning on or after January 1, 2009. Thereafter,
4 the director shall have a lien in the amount of the estimate.

5 2. The lien created under subsection 1 of this section shall attach to the property
6 to which the election to defer relates on January first of the tax year of initial deferral.

7 3. The lien created under subsection 1 of this section in the amount of the estimate
8 shall have the same priority as other real property tax liens except that the lien of

9 mortgages, trust deeds, or security interests which are recorded or noted on a certificate
10 of title prior in time to the attachment of the lien for deferred taxes shall be before the liens
11 for deferred taxes.

12 4. If during the period of tax deferment, the amount of taxes and fees exceeds the
13 estimate, the director shall have a lien for the amount of the excess. The liens for the excess
14 shall attach to the property on January first of the tax year in which the excess occurs. The
15 lien for the excess shall have the same priority as other real property tax liens, except that
16 the lien of mortgages, trust deeds, or security interests recorded or noted on any certificate
17 of title prior in time to the date that the director records an amendment to its estimate to
18 reflect its lien for the excess shall be before the lien for the excess.

19 5. Notwithstanding the provisions of section 135.047, the notice of lien for deferred
20 taxes recorded as provided in section 135.047 arising on or after January 1, 2009, shall list
21 the amount of the estimate of deferred taxes and fees made by the director under
22 subsection 1 of this section and any amendment to the notice to reflect a lien for excess, as
23 described under subsection 4 of this section, shall list the amount of the excess that the
24 director claims as lien.

25 6. A lien created under this section may be foreclosed by the director under the law
26 relating to foreclosure in civil suits or any other collection methods given the director of
27 revenue. The court may award reasonable attorney fees to the prevailing party in a
28 foreclosure action under this section.

29 7. Receipts from foreclosure proceedings shall be credited in the same manner as
30 other repayments of deferred property taxes under section 135.083.

31 8. By means of voluntary payment made as provided under section 135.067, the
32 taxpayer may limit the amount of the lien for deferred taxes created under this section. If
33 the taxpayer desires that the limit be reflected in the records of the county, the taxpayer
34 shall request, subject to any rules adopted by the director, that the director cause a partial
35 satisfaction of the lien to be recorded in the county. Upon receipt of such a request, the
36 director shall cause a partial satisfaction, in the amount of the voluntary payment, to be
37 so recorded. Nothing in this subsection shall affect the priority of the liens of the director,
38 as originally created under subsections 1 and 4 of this section.

39 9. Nothing in this section shall affect any lien arising under sections 135.037 to
40 135.083 for taxes assessed before January 1, 2009.

135.059. Subject to section 135.063, all deferred property taxes become payable as
2 provided in section 135.061 when:

3 (1) The taxpayer who claimed deferment of collection of property taxes on the
4 homestead dies or, if there was more than one claimant, the survivor of the taxpayers who
5 originally claimed deferment of collection of property taxes under section 135.039 dies;

6 (2) Except as provided in section 135.057, the property with respect to which
7 deferment of collection of taxes is claimed is sold, or a contract to sell is entered into, or
8 some person other than the taxpayer who claimed the deferment becomes the owner of the
9 property;

10 (3) The tax-deferred property is no longer the homestead of the taxpayer who
11 claimed the deferral, except in the case of a taxpayer required to be absent from such
12 tax-deferred property by reason of health; or

13 (4) The tax-deferred property, a manufactured structure or floating home, is moved
14 out of the state.

135.061. 1. Whenever any of the circumstances listed in section 135.059 occurs:

2 (1) The deferral of taxes for the assessment year in which the circumstance occurs
3 shall continue for such assessment year; and

4 (2) The amounts of deferred property taxes for all years shall be due and payable
5 on the date of closing or the date of probate to the director of revenue, except as provided
6 in subsection 3 of this section, section 135.063, and section 135.075.

7 2. Notwithstanding the provisions of subsection 1 of this section and section
8 135.075, when the circumstances listed in subdivision (4) of section 135.059 occur, the
9 amount of deferred taxes shall be due and payable five days before the date of removal of
10 the property from the state.

11 3. If the amounts falling due as provided in this section are not paid on the
12 indicated due date, or as extended under section 135.075 such amounts shall be deemed
13 delinquent as of that date and the property shall be subject to foreclosure as provided in
14 section 135.053.

135.063. 1. Notwithstanding the provisions of section 135.059, when one of the
2 **circumstances listed in section 135.059 occurs, the spouse who was not eligible to or did not**
3 **file a claim jointly with the taxpayer may continue the property in its deferred tax status**
4 **by filing a claim within the time and in the manner provided under section 135.039 if:**

5 (1) The spouse of the taxpayer is or will be sixty years of age or older not later than
6 six months from the day the circumstance listed in section 135.059 occurs; and

7 (2) The property is the homestead of the spouse of the taxpayer and meets the
8 requirements of subsection 2 of section 135.041.

9 2. A spouse who does not meet the age requirements of subsection 1 of this section
10 but is otherwise qualified to continue the property in its tax-deferred status under

11 subsection 1 of this section may continue the deferral of property taxes deferred for
12 previous years by filing a claim within the time and in the manner provided under section
13 135.039. If a spouse eligible for and continuing the deferral of taxes previously deferred
14 under this subsection becomes sixty-two years of age before October fifteenth of any year,
15 the spouse may elect to continue the deferral of previous years' taxes deferred under this
16 subsection and may elect to defer the current assessment year's taxes on the homestead by
17 filing a claim within the time and in the manner provided under section 135.039.
18 Thereafter, payment of the taxes levied on the homestead and deferred under this
19 subsection and payment of taxes levied on the homestead in the current assessment year
20 and in future years may be deferred in the manner provided in and subject to sections
21 135.037 to 135.083.

22 3. Notwithstanding that section 135.039 requires that a claim be filed no later than
23 October fifteenth, if the director of revenue determines that good and sufficient cause exists
24 for the failure of a spouse to file a claim under this section on or before October fifteenth,
25 the claim may be filed within one hundred eighty days after notice of taxes due and
26 payable under section 135.037 is mailed or delivered by the director to the taxpayer or
27 spouse.

135.065. 1. Notwithstanding the provisions of section 135.039 or any other
2 provision of sections 135.037 to 135.083, if the individual or, in the case of two or more
3 individuals electing to defer property taxes jointly, all of the individuals together, or the
4 spouse who has filed a claim under section 135.063, has household income that exceeds the
5 maximum upper limit for the tax year that began in the previous calendar year, then for
6 the tax year next beginning, the amount of taxes for which deferral is allowed shall be
7 reduced by fifty cents for each dollar of household income in excess of the maximum upper
8 limit or if that income exceeds the maximum upper limit by a factor of two, the property
9 taxes shall not be deferred.

10 2. Before December first of each year, the director of revenue shall review returns
11 filed under chapter 143, RSMo, to determine if subsection 1 of this section is applicable for
12 a homestead for the tax year next beginning. If subsection 1 of this section is applicable,
13 the director shall notify by mail the taxpayer or spouse electing deferral, and the taxes
14 otherwise to be deferred for the tax year next beginning shall be reduced as provided in
15 subsection 1 of this section or, if household income in excess of the maximum upper limit
16 exceeds the maximum upper limit by a factor of two, the property taxes shall not be
17 deferred.

18 3. If the taxpayer or spouse does not file a return for purposes of chapter 143,
19 RSMo, and the director has reason to believe that the federal adjusted gross income of the

20 taxpayer or spouse exceeds the maximum upper limit for the tax year that began in the
21 previous calendar year, the director shall notify by mail the taxpayer or spouse electing
22 deferral. If, within thirty days after the notice is mailed, the taxpayer or spouse does not
23 file a return under chapter 143, RSMo, or otherwise satisfy the director that household
24 income does not exceed the maximum upper limit, the director shall again notify the
25 taxpayer or spouse, and the taxes otherwise to be deferred for the tax year next beginning
26 shall not be deferred.

27 4. Nothing in this section shall affect the continued deferral of taxes that have been
28 deferred for tax years beginning before the tax year next beginning or the right to deferral
29 of taxes for a tax year beginning after the tax year next beginning if subsection 1 of this
30 section is not applicable for that tax year for the homestead.

31 5. If, after an initial determination pursuant to this section has been made by the
32 director, upon audit or examination or otherwise, it is discovered that the taxpayer or
33 spouse had household income in excess of the limitation provided under subsection 1 of this
34 section, the director shall determine the amount of taxes deferred that should not have
35 been deferred and give notice to the taxpayer or spouse of the amount of taxes that should
36 not have been deferred. The provisions of chapter 143, RSMo, shall apply to a
37 determination of the director under this section in the same manner as those provisions are
38 applicable to an income tax deficiency. A deficiency shall not be assessed under this section
39 if notice required under this section is not given to the taxpayer or spouse within three
40 years after the date that the director has paid the deferred taxes to the county. Upon
41 payment of the amount assessed as deficiency the department shall execute a release in the
42 amount of the payment and the release shall be conclusive evidence of the removal and
43 extinguishment of the lien under sections 135.037 to 135.083 to the extent of the payment.

44 6. If, after an initial determination under this section has been made by the
45 director, upon claim for refund, audit or examination or otherwise, it is discovered that the
46 taxpayer or spouse had household income in the amount of or less than the limitation
47 provided under subsection 1 of this section, the director shall determine the amount of
48 taxes deferred that should have been deferred and give notice to the taxpayer or spouse of
49 the amount of taxes that should have been deferred. The provisions of chapter 143, RSMo,
50 shall apply to a determination of the director under this section in the same manner as
51 those provisions are applicable to an income tax refund. Claim for refund under this
52 subsection shall be filed within three years after the earliest date that the taxpayer or
53 spouse is notified by the director that the taxes are not deferred.

54 7. This section applies to all tax-deferred property, notwithstanding that election
55 to defer taxes is made under sections 135.037 to 135.083 before or after January 1, 2009.

135.066. If a taxpayer has been precluded from deferring any portion of their
2 property tax due to their household income exceeding the maximum upper limit, that
3 person or persons may qualify for a deferral of the amount of property tax which has
4 increased on their homestead since January first in the year after their sixty-fifth birthday.
5 Such deferral shall be subject to the provisions of sections 135.037 to 135.083 as if it were
6 a deferral under section 135.039.

135.067. 1. All payments of deferred taxes shall be made to the director of revenue.
2 2. Subject to subsection 3 of this section, all or part of the deferred taxes and
3 accrued interest may at any time be paid to the director by:

- 4 (1) The taxpayer or the spouse of the taxpayer;
5 (2) The next of kin of the taxpayer, heir at law of the taxpayer, child of the taxpayer
6 or any person having or claiming a legal or equitable interest in the property.

7 3. A person listed in subdivision (2) of subsection 2 of this section may make such
8 payments only if no objection is made by the taxpayer within thirty days after the director
9 deposits in the mail notice to the taxpayer of the fact that such payment has been tendered.

10 4. Any payment made under this section shall be applied against the deferred taxes.
11 Such payment shall not affect the deferred tax status of the property. Unless otherwise
12 provided by law, such payment shall not give the person paying the taxes any interest in
13 the property or any claim against the estate, in the absence of a valid agreement to the
14 contrary.

15 5. When the deferred taxes are paid in full and the property is no longer subject
16 to deferral, the director shall prepare and record in the county in which the property is
17 located a satisfaction of deferred property tax lien.

135.073. 1. At the time that the property is deeded over to the county at the
2 conclusion of the foreclosure proceedings under chapter 141, RSMo, the court shall order
3 the county treasurer to pay to the director of revenue from the unsegregated tax collections
4 account the amount of deferred taxes which were not collected.

5 2. Immediately upon payment, the county treasurer shall notify the tax collector
6 of the amount paid to the director for the property which has been deeded to the county.

135.075. 1. The director of revenue may extend the time for payment of the
2 deferred taxes with respect to the taxes becoming due and payable under subsection 2 of
3 section 135.061 if:

- 4 (1) The taxpayer who claimed homestead property tax deferral dies, or if a spouse
5 who continued the deferral under section 135.063 dies;
6 (2) The homestead property becomes property of an individual or individuals:
7 (a) By inheritance or devise; or

8 (b) If the individual or individuals are heirs or devisees, as defined in section
9 472.010, RSMo, in the course of settlement of the estate;

10 (3) The individual or individuals commence occupancy of the property as a
11 principal residence on or before February fifteenth of the calendar year following the
12 calendar year of death; and

13 (4) The individual or individuals make application to the director for an extension
14 of time for payment of the deferred taxes before February fifteenth of the calendar year
15 following the calendar year of death.

16 2. (1) Subject to subdivision (2) of this subsection, an extension granted under this
17 section shall be for a period not to exceed five years after February fifteenth of the
18 calendar year following the calendar year of death. The terms and conditions under which
19 the extension is granted shall be in accordance with a written agreement entered into by
20 the director and the individual or individuals.

21 (2) An extension granted under this section shall terminate immediately if:

22 (a) The homestead property is sold or otherwise transferred by any party to the
23 extension agreement;

24 (b) All of the heirs or devisees who are parties to the extension agreement cease to
25 occupy the property as a principal residence; or

26 (c) The homestead property, a manufactured structure or floating home, is moved
27 out of the state.

28 3. If the director has reason to believe that the homestead property is not sufficient
29 security for the deferred taxes, the director may require the individual or individuals to
30 furnish a bond conditioned upon payment of the amount extended in accordance with the
31 terms of the extension. The bond shall not exceed an amount double the taxes with respect
32 to which tax extension is granted.

33 4. When any taxpayer who claimed homestead property tax deferral dies, the
34 spouse, heirs and devisees, as defined in section 472.010, RSMo, shall notify in writing the
35 director of revenue of the taxpayer's death.

135.077. Nothing in sections 135.037 to 135.083 is intended to or shall be construed
2 to:

3 (1) Prevent the collection, by foreclosure, of property taxes which become a lien
4 against tax-deferred property;

5 (2) Defer payment of special assessments to benefitted property which assessments
6 do not appear on the assessment and tax roll; or

7 (3) Affect any provision of any mortgage or other instrument relating to land
8 requiring a person to pay property taxes.

135.079. After August 28, 2008, it shall be unlawful for any mortgage trust deed or
2 land sale contract to contain a clause or statement which prohibits the owner from
3 applying for the benefits of the deferral of homestead property taxes provided in sections
4 135.037 to 135.083. Any such clause or statement in a mortgage trust deed or land sale
5 contract executed after August 28, 2008, shall be void.

135.083. 1. There is hereby established in the state treasury the "Senior Property
2 Tax Deferral Revolving Account" to be used by the director of revenue for the purpose of
3 making the payments to:

4 (1) County tax collectors of property taxes deferred for tax years beginning on or
5 after January 1, 2009, as required by section 135.049;

6 (2) The director for its expenses in administering the property tax and special
7 assessment senior deferral programs.

8 2. The funds necessary to make payments under subsection 1 of this section shall
9 be advanced annually to the director.

10 3. The senior property tax deferral revolving account may include a reserve for
11 payment of department administrative expenses.

12 4. All sums of money received by the director of revenue under sections 135.037 to
13 135.083 as repayments of deferred property taxes shall, upon receipt, be credited to the
14 revolving account and are continuously appropriated to the department for the purposes
15 of subsection 1 of this section.

16 5. If there is not sufficient money in the revolving account to make the payments
17 required by subsection 1 of this section, an amount sufficient to make the required
18 payments shall be transferred from the general revenue fund to the revolving account.

19 6. When the department determines that moneys in sufficient amounts are available
20 in the revolving account, the director shall repay to the general revenue fund the amounts
21 advanced as investments under subsection 2 of this section. The moneys used to repay the
22 general revenue fund under this section shall not be considered as part of the calculation
23 of total state revenue. The provisions of section 33.080, RSMo, to the contrary
24 notwithstanding, moneys in the revolving account shall not lapse to general revenue.

137.072. 1. It is the intent of the general assembly under authority of section 10(c) of
2 article X of the Constitution of Missouri that a political subdivision, including a school district,
3 may increase its tax rate ceiling by a vote of its governing body in any year in which the assessed
4 valuation of the political subdivision is reduced due to changes in value under this subdivision,
5 provided such increase in tax rates does not exceed a rate limit specified in statute or the
6 constitution or levels previously approved by voters.

7 **2. Any political subdivision may submit a proposal to the voters of the political**
8 **subdivision to decrease the political subdivision's tax rate ceiling if such ceiling was**
9 **previously approved by voters.**

10 **3. All ballot proposals submitted by a political subdivision relating to property tax**
11 **issues shall be stated with language that indicates clearly to voters whether the proposal**
12 **will increase or decrease the voter's property taxes.**

 137.106. 1. This section may be known and may be cited as "The Missouri Homestead
2 Preservation Act".

3 2. As used in this section, the following terms shall mean:

4 (1) ["Department", the department of revenue;

5 (2) "Director", the director of revenue;

6 (3) "Disabled", as such term is defined in section 135.010, RSMo;

7 (4)] "Eligible owner", any individual owner of property who is sixty-five years old or
8 older as of January first of the tax year in which the individual is claiming the credit [or who is
9 disabled], and who had an income of equal to or less than the maximum upper limit in the **tax**
10 year [prior to completing an application pursuant to this section; or

11 (a) In the case of a married couple owning property either jointly or as tenants by the
12 entirety, or where only one spouse owns the property, such couple shall be considered an eligible
13 taxpayer if both spouses have reached the age of sixty-five or if one spouse is disabled, or if one
14 spouse is at least sixty-five years old and the other spouse is at least sixty years old, and the
15 combined income of the couple in the year prior to completing an application pursuant to this
16 section did not exceed the maximum upper limit; or

17 (b) In the case of joint ownership by unmarried persons or ownership by tenancy in
18 common by two or more unmarried persons, such owners shall be considered an eligible owner
19 if each person with an ownership interest individually satisfies the eligibility requirements for
20 an individual eligible owner under this section and the combined income of all individuals with
21 an interest in the property is equal to or less than the maximum upper limit in the year prior to
22 completing an application under this section. If any individual with an ownership interest in the
23 property fails to satisfy the eligibility requirements of an individual eligible owner or if the
24 combined income of all individuals with interest in the property exceeds the maximum upper
25 limit, then all individuals with an ownership interest in such property shall be deemed ineligible
26 owners regardless of such other individual's ability to individually meet the eligibility
27 requirements; or

28 (c) In the case of property held in trust, the eligible owner and recipient of the tax credit
29 shall be the trust itself provided the previous owner of the homestead or the previous owner's
30 spouse: is the settlor of the trust with respect to the homestead; currently resides in such

31 homestead; and but for the transfer of such property would have satisfied the age, ownership, and
32 maximum upper limit requirements for income as defined in subdivisions (7) and (8) of this
33 subsection;

34

35 No individual shall be an eligible owner if the individual has not paid their property tax liability,
36 if any, in full by the payment due date in any of the three prior tax years, except that a late
37 payment of a property tax liability in any prior year shall not disqualify a potential eligible owner
38 if such owner paid in full the tax liability and any and all penalties, additions and interest that
39 arose as a result of such late payment; no individual shall be an eligible owner if such person
40 filed a valid claim for the senior citizens property tax relief credit pursuant to sections 135.010
41 to 135.035, RSMo] **for which the homestead exemption is claimed;**

42 [(5)] (2) "Homestead", [as such term is defined pursuant to section 135.010, RSMo,
43 except as limited by provisions of this section to the contrary. No property shall be considered
44 a homestead if such property was improved since the most recent annual assessment by more
45 than five percent of the prior year appraised value, except where an eligible owner of the property
46 has made such improvements to accommodate a disabled person] **the dwelling in Missouri**
47 **owned by the claimant and not to exceed five acres of land surrounding it as is reasonably**
48 **necessary for use of the dwelling as a home. It may consist of part of a multidwelling or**
49 **multipurpose building and part of the land upon which it is built. "Owned" includes a**
50 **vendee in possession under a land contract and one or more tenants by the entireties, joint**
51 **tenants, or tenants in common, and includes a claimant actually in possession if the**
52 **claimant was the immediate former owner of record, if a lineal descendant is presently the**
53 **owner of record, and if the claimant actually pays all taxes upon the property. It may**
54 **include a mobile home;**

55 [(6) "Homestead exemption limit", a percentage increase, rounded to the nearest
56 hundredth of a percent, which shall be equal to the percentage increase to tax liability, not
57 including improvements, of a homestead from one tax year to the next that exceeds a certain
58 percentage set pursuant to subsection 10 of this section. For applications filed in 2005 or 2006,
59 the homestead exemption limit shall be based on the increase to tax liability from 2004 to 2005.
60 For applications filed between April 1, 2005, and September 30, 2006, an eligible owner, who
61 otherwise satisfied the requirements of this section, shall not apply for the homestead exemption
62 credit more than once during such period. For applications filed after 2006, the homestead
63 exemption limit shall be based on the increase to tax liability from two years prior to application
64 to the year immediately prior to application;

65 (7)] (3) "Income", federal adjusted gross income, and in the case of ownership of the
66 homestead by trust, the income of the settlor applicant shall be imputed to the income of the trust
67 for purposes of determining eligibility with regards to the maximum upper limit;

68 [(8)] (4) "Maximum upper limit", in the calendar year [2005] **2009**, the income sum of
69 [seventy] **fifty** thousand dollars; in each successive calendar year this amount shall be raised by
70 the [incremental increase in the general price level, as defined pursuant to article X, section 17
71 of the Missouri Constitution] **same percentage as the increase over the previous year in the**
72 **Consumer Price Index for All Urban Consumers as prepared by the United States Bureau**
73 **of Labor Statistics, or its successor index.**

74 3. [Pursuant to] **Under** article X, section 6(a) of the Constitution of Missouri, [if in the
75 prior tax year, the property tax liability on any parcel of subclass (1) real property increased by
76 more than the homestead exemption limit, without regard for any prior credit received due to the
77 provisions of this section, then] **the first fifty thousand dollars of the assessed valuation of**
78 **real property actually occupied by** any eligible owner of [the property shall receive a
79 homestead exemption credit to be applied in the current tax year property tax liability to offset
80 the prior year increase to tax liability that exceeds the homestead exemption limit, except as
81 eligibility for the credit is limited by the provisions of this section] **a homestead shall be exempt**
82 **from the payment of taxes thereon.** [The amount of the credit shall be listed separately on each
83 taxpayer's tax bill for the current tax year, or on a document enclosed with the taxpayer's bill.
84 The homestead exemption credit shall not affect the process of setting the tax rate as required
85 pursuant to article X, section 22 of the Constitution of Missouri and section 137.073 in any prior,
86 current, or subsequent tax year.]

87 4. [If application is made in 2005, any potential eligible owner may apply for the
88 homestead exemption credit by completing an application through their local assessor's office.
89 Applications may be completed between April first and September thirtieth of any tax year in
90 order for the taxpayer to be eligible for the homestead exemption credit in the tax year next
91 following the calendar year in which the homestead exemption credit application was completed.
92 The application shall be on forms provided to the assessor's office by the department. Forms also
93 shall be made available on the department's Internet site and at all permanent branch offices and
94 all full-time, temporary, or fee offices maintained by the department of revenue. The applicant
95 shall attest under penalty of perjury:

96 (1) To the applicant's age;

97 (2) That the applicant's prior year income was less than the maximum upper limit;

98 (3) To the address of the homestead property; and

99 (4) That any improvements made to the homestead, not made to accommodate a disabled
100 person, did not total more than five percent of the prior year appraised value. The applicant shall

101 also include with the application copies of receipts indicating payment of property tax by the
102 applicant for the homestead property for the two prior tax years.

103 5. If application is made in 2005, the assessor, upon request for an application, shall:

104 (1) Certify the parcel number and owner of record as of January first of the homestead,
105 including verification of the acreage classified as residential on the assessor's property record
106 card;

107 (2) Obtain appropriate prior tax year levy codes for each homestead from the county
108 clerks for inclusion on the form;

109 (3) Record on the application the assessed valuation of the homestead for the current tax
110 year, and any new construction or improvements for the current tax year; and

111 (4) Sign the application, certifying the accuracy of the assessor's entries.

112 6. If application is made after 2005, any potential eligible owner may apply for the
113 homestead exemption credit by completing an application. Applications may be completed
114 between April first and October fifteenth of any tax year in order for the taxpayer to be eligible
115 for the homestead exemption credit in the tax year next following the calendar year in which the
116 homestead exemption credit application was completed. The application shall be on forms
117 provided by the department. Forms also shall be made available on the department's Internet site
118 and at all permanent branch offices and all full-time, temporary, or fee offices maintained by the
119 department of revenue. The applicant shall attest under penalty of perjury:

120 (1) To the applicant's age;

121 (2) That the applicant's prior year income was less than the maximum upper limit;

122 (3) To the address of the homestead property;

123 (4) That any improvements made to the homestead, not made to accommodate a disabled
124 person, did not total more than five percent of the prior year appraised value; and

125 (5) The applicant shall also include with the application copies of receipts indicating
126 payment of property tax by the applicant for the homestead property for the three prior tax years.

127 7. Each applicant shall send the application to the department by September thirtieth of
128 each year for the taxpayer to be eligible for the homestead exemption credit in the tax year next
129 following the calendar year in which the application was completed.

130 8. If application is made in 2005, upon receipt of the applications, the department shall
131 calculate the tax liability, adjusted to exclude new construction or improvements verify
132 compliance with the maximum income limit, verify the age of the applicants, and make
133 adjustments to these numbers as necessary on the applications. The department also shall
134 disallow any application where the applicant has also filed a valid application for the senior
135 citizens property tax credit, pursuant to sections 135.010 to 135.035, RSMo. Once adjusted tax
136 liability, age, and income are verified, the director shall determine eligibility for the credit, and

137 provide a list of all verified eligible owners to the county collectors or county clerks in counties
138 with a township form of government by December fifteenth of each year. By January fifteenth,
139 the county collectors or county clerks in counties with a township form of government shall
140 provide a list to the department of any verified eligible owners who failed to pay the property tax
141 due for the tax year that ended immediately prior. Such eligible owners shall be disqualified
142 from receiving the credit in the current tax year.

143 9. If application is made after 2005, upon receipt of the applications, the department shall
144 calculate the tax liability, verify compliance with the maximum income limit, verify the age of
145 the applicants, and make adjustments to these numbers as necessary on the applications. The
146 department also shall disallow any application where the applicant also has filed a valid
147 application for the senior citizens property tax credit under sections 135.010 to 135.035, RSMo.
148 Once adjusted tax liability, age, and income are verified, the director shall determine eligibility
149 for the credit and provide a list of all verified eligible owners to the county assessors or county
150 clerks in counties with a township form of government by December fifteenth of each year. By
151 January fifteenth, the county assessors shall provide a list to the department of any verified
152 eligible owners who made improvements not for accommodation of a disability to the homestead
153 and the dollar amount of the assessed value of such improvements. If the dollar amount of the
154 assessed value of such improvements totaled more than five percent of the prior year appraised
155 value, such eligible owners shall be disqualified from receiving the credit in the current tax year.

156 10. The director shall calculate the level of appropriation necessary to set the homestead
157 exemption limit at five percent when based on a year of general reassessment or at two and
158 one-half percent when based on a year without general reassessment for the homesteads of all
159 verified eligible owners, and provide such calculation to the speaker of the house of
160 representatives, the president pro tempore of the senate, and the director of the office of budget
161 and planning in the office of administration by January thirty-first of each year.

162 11. For applications made in 2005, the general assembly shall make an appropriation for
163 the funding of the homestead exemption credit that is signed by the governor, then the director
164 shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a
165 single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a
166 percent, which, if applied to all homesteads of verified eligible owners who applied for the
167 homestead exemption credit in the immediately prior tax year, would cause all but one-quarter
168 of one percent of the amount of the appropriation, minus any withholding by the governor, to be
169 distributed during that fiscal year. The remaining one-quarter of one percent shall be distributed
170 to the county assessment funds of each county on a proportional basis, based on the number of
171 eligible owners in each county; such one-quarter percent distribution shall be delineated in any
172 such appropriation as a separate line item in the total appropriation. If no appropriation is made

173 by the general assembly during any tax year or no funds are actually distributed pursuant to any
174 appropriation therefor, then no homestead preservation credit shall apply in such year.

175 12. After setting the homestead exemption limit for applications made in 2005, the
176 director shall apply the limit to the homestead of each verified eligible owner and calculate the
177 credit to be associated with each verified eligible owner's homestead, if any. The director shall
178 send a list of those eligible owners who are to receive the homestead exemption credit, including
179 the amount of each credit, the certified parcel number of the homestead, and the address of the
180 homestead property, to the county collectors or county clerks in counties with a township form
181 of government by August thirty-first. Pursuant to such calculation, the director shall instruct the
182 state treasurer as to how to distribute the appropriation and assessment fund allocation to the
183 county collector's funds of each county or the treasurer ex officio collector's fund in counties with
184 a township form of government where recipients of the homestead exemption credit are located,
185 so as to exactly offset each homestead exemption credit being issued, plus the one-quarter of one
186 percent distribution for the county assessment funds. As a result of the appropriation, in no case
187 shall a political subdivision receive more money than it would have received absent the
188 provisions of this section plus the one-quarter of one percent distribution for the county
189 assessment funds. Funds, at the direction of the county collector or the treasurer ex officio
190 collector in counties with a township form of government, shall be deposited in the county
191 collector's fund of a county or the treasurer ex officio collector's fund or may be sent by mail to
192 the collector of a county, or the treasurer ex officio collector in counties with a township form
193 of government, not later than October first in any year a homestead exemption credit is
194 appropriated as a result of this section and shall be distributed as moneys in such funds are
195 commonly distributed from other property tax revenues by the collector of the county or the
196 treasurer ex officio collector of the county in counties with a township form of government, so
197 as to exactly offset each homestead exemption credit being issued. In counties with a township
198 form of government, the county clerk shall provide the treasurer ex officio collector a summary
199 of the homestead exemption credit for each township for the purpose of distributing the total
200 homestead exemption credit to each township collector in a particular county.

201 13. If, in any given year after 2005, the general assembly shall make an appropriation for
202 the funding of the homestead exemption credit that is signed by the governor, then the director
203 shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a
204 single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a
205 percent, which, if applied to all homesteads of verified eligible owners who applied for the
206 homestead exemption credit in the immediately prior tax year, would cause all of the amount of
207 the appropriation, minus any withholding by the governor, to be distributed during that fiscal
208 year. If no appropriation is made by the general assembly during any tax year or no funds are

209 actually distributed pursuant to any appropriation therefor, then no homestead preservation credit
210 shall apply in such year.

211 14. After setting the homestead exemption limit for applications made after 2005, the
212 director shall apply the limit to the homestead of each verified eligible owner and calculate the
213 credit to be associated with each verified eligible owner's homestead, if any. The director shall
214 send a list of those eligible owners who are to receive the homestead exemption credit, including
215 the amount of each credit, the certified parcel number of the homestead, and the address of the
216 homestead property, to the county collectors or county clerks in counties with a township form
217 of government by August thirty-first. Pursuant to such calculation, the director shall instruct the
218 state treasurer as to how to distribute the appropriation to the county collector's fund of each
219 county where recipients of the homestead exemption credit are located, so as to exactly offset
220 each homestead exemption credit being issued. As a result of the appropriation, in no case shall
221 a political subdivision receive more money than it would have received absent the provisions of
222 this section. Funds, at the direction of the collector of the county or treasurer ex officio collector
223 in counties with a township form of government, shall be deposited in the county collector's fund
224 of a county or may be sent by mail to the collector of a county, or treasurer ex officio collector
225 in counties with a township form of government, not later than October first in any year a
226 homestead exemption credit is appropriated as a result of this section and shall be distributed as
227 moneys in such funds are commonly distributed from other property tax revenues by the collector
228 of the county or the treasurer ex officio collector of the county in counties with a township form
229 of government, so as to exactly offset each homestead exemption credit being issued.

230 15. The department shall promulgate rules for implementation of this section. Any rule
231 or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the
232 authority delegated in this section shall become effective only if it complies with and is subject
233 to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
234 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the
235 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to
236 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
237 authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void. Any
238 rule promulgated by the department shall in no way impact, affect, interrupt, or interfere with the
239 performance of the required statutory duties of any county elected official, more particularly
240 including the county collector when performing such duties as deemed necessary for the
241 distribution of any homestead appropriation and the distribution of all other real and personal
242 property taxes.

243 16. In the event that an eligible owner dies or transfers ownership of the property after
244 the homestead exemption limit has been set in any given year, but prior to January first of the

year in which the credit would otherwise be applied, the credit shall be void and any corresponding moneys, pursuant to subsection 12 of this section, shall lapse to the state to be credited to the general revenue fund. In the event the collector of the county or the treasurer ex officio collector of the county in counties with a township form of government determines prior to issuing the credit that the individual is not an eligible owner because the individual did not pay the prior three years' property tax liability in full, the credit shall be void and any corresponding moneys, under subsection 11 of this section, shall lapse to the state to be credited to the general revenue fund.

17. This section shall apply to all tax years beginning on or after January 1, 2005. This subsection shall become effective June 28, 2004.

18. In accordance with the provisions of sections 23.250 to 23.298, RSMo, and unless otherwise authorized pursuant to section 23.253, RSMo:

(1) Any new program authorized under the provisions of this section shall automatically sunset six years after the effective date of this section; and

(2) This section shall terminate on September first of the year following the year in which any new program authorized under this section is sunset, and the revisor of statutes shall designate such sections and this section in a revision bill for repeal] **All revenue losses of any political subdivision resulting from the exemption contained in this section shall be reimbursed to those political subdivisions by the state of Missouri through appropriations. Data substantiating such revenue losses shall be provided to the state auditor in such form as shall be prescribed by the state auditor by rule. The required data shall be submitted for each political subdivision levying a property tax and shall be submitted by either the county or the individual taxing authority as requested by the state auditor. Calculation or verification of the revenue loss shall be determined by the state auditor subsequent to the annual property tax rate review completed under section 137.073. All data and documents substantiating the revenue loss for each political subdivision shall be copied to each county clerk respectively, and shall be retained and made available for public inspection by the county for a minimum of three years.**

5. Under section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

280 **(3) This section shall terminate on September first of the calendar year immediately**
281 **following the calendar year in which the program authorized under this section is sunset.**

137.750. 1. **For all assessments occurring on or before December 31, 2008**, if a
2 county has an assessment maintenance plan approved pursuant to section 137.115, a portion of
3 all the costs and expenses of the assessor of each county and each city not within a county,
4 incurred for the current quarter in performing all duties necessary to assess and maintain
5 equalized assessed valuations of real property, making real and personal property assessments
6 and preparing abstracts of assessment lists, shall be reimbursed by the state. The state shall
7 reimburse up to sixty percent of all the current and past unreported quarterly costs and expenses
8 of the assessor of each county and each city not within a county based on compliance with the
9 state tax commission approved assessment and equalization maintenance plan. The state shall
10 reimburse each eligible county a minimum of three dollars per parcel for up to twenty thousand
11 parcels, but no further reimbursements shall be made until the county has expended at least
12 two-thirds of that amount of money for assessment maintenance from its assessment fund. The
13 annual state reimbursement to any county pursuant to this section in 2000 shall not exceed seven
14 dollars per parcel of real property in the county and each year thereafter such maximum amount
15 may be increased by up to three percent, but the amount reimbursed by the state shall not exceed
16 sixty percent of the actual costs and expenses incurred, except that counties entitled to only the
17 three-dollar per parcel minimum shall receive one-fourth of the state's contribution each quarter.
18 **For all assessments occurring on or after January 1, 2009, the state shall reimburse each**
19 **county in this state and any city not within a county for a portion of the costs and expenses**
20 **incurred for the current quarter in performing all duties necessary to assess and maintain**
21 **equalized assessed valuations of real property, making real and personal property**
22 **assessments, and preparing abstracts of assessment lists. The annual reimbursement**
23 **amount shall be seven dollars per parcel of real property in such county or city.**

24 2. The governing body of each county and city not within a county which seeks or will
25 seek reimbursement under any provision of this section or section 137.720 shall establish a fund
26 to be known as the "Assessment Fund", to be used solely as a depository for funds received by
27 the county or city pursuant to this section and sections 137.037 and 137.720, from the general
28 revenue fund of the county or other sources for the purpose of funding the costs and expenses
29 incurred in implementing an assessment and equalization maintenance plan approved under
30 section 137.115 and for assessing real and personal property.

31 3. All counties and cities not within a county seeking state funds under this section shall
32 submit a certified copy of their costs and expenses to the commissioner of the office of
33 administration not later than the thirtieth day of the quarter immediately following the quarter
34 for which such state funds are sought. The commissioner of the office of administration shall,

35 in such form as may be prescribed by rule, certify that the county requests for reimbursement are
36 consistent with the assessment and equalization maintenance plan approved by the state tax
37 commission as provided in section 137.115, and shall pay the state's share out of funds
38 appropriated for that purpose quarterly to each eligible county and city to reimburse such county
39 or city for reimbursable costs and expenses incurred in the previous calendar quarter.

40 4. (1) The following costs and expenses shall not qualify for state reimbursement or
41 reimbursement from tax moneys withheld from political subdivisions:

42 (a) Premiums for property and casualty insurance and liability insurance;

43 (b) Depreciation, interest, building and ground maintenance, fuel and utility costs, and
44 other indirect expenses which can be classified as the overhead expenses of the assessor's office;

45 (c) Purchases of motor vehicles;

46 (2) Costs and expenses which shall qualify for state reimbursement, but only if identified
47 in the county maintenance plan and subsequently specifically approved by the state tax
48 commission, shall include:

49 (a) Salaries and benefits of data processing and legal personnel not directly employed
50 by the assessor;

51 (b) Costs and expenses for computer software, hardware, and maintenance;

52 (c) Costs and expenses of any additional office space made necessary in order to carry
53 out the county's maintenance plan;

54 (d) Costs of leased equipment;

55 (e) Costs of aerial photography.

**138.435. 1. The director of the department of revenue shall appoint a public
2 counsel, to be known as the "Taxpayer Advocate", to serve at the pleasure of the director
3 of the department. The taxpayer advocate shall be an attorney at law licensed to practice
4 law in this state and whose salary shall be fixed by the department director within the
5 appropriation made therefor.**

6 2. The taxpayer advocate shall have the following powers and duties:

7 **(1) To employ a staff or hire on a contract basis such employees and experts as are**
8 **necessary to carry out the purposes and responsibilities of the office, and shall set their**
9 **compensation within the appropriation made for that purpose;**

10 **(2) To represent and protect the interests of the public in any proceeding before or**
11 **appeal from the state tax commission;**

12 **(3) To have discretion to represent or refrain from representing the public in any**
13 **proceeding. The taxpayer advocate shall consider in exercising such discretion the**
14 **importance and the extent of the public interest involved and whether that interest would**
15 **be adequately represented without the action of the office. If the taxpayer advocate**

16 **determines that there are conflicting public interests involved in a particular matter, the**
17 **taxpayer advocate may choose to represent one such interest based upon the considerations**
18 **of this section, to represent no interest in that matter, or to represent one interest and**
19 **certify to the director of the department of economic development that there is a significant**
20 **public interest which the taxpayer advocate cannot represent without creating a conflict**
21 **of interest and which will not be protected by any party to the proceeding. The director**
22 **of the department shall select an attorney, to be paid from funds appropriated for this**
23 **purpose, to represent that segment of the public certified by the taxpayer advocate as**
24 **unrepresented. Nothing in this section shall be construed to limit the right of any person,**
25 **firm, or corporation to petition or make complaint to the commission or otherwise**
26 **intervene in proceedings or other matters before the commission.**

27 **3. The taxpayer advocate shall be served with all proposed assessments and tax**
28 **rates, initial pleadings, and applications, in all proceedings before the state tax commission,**
29 **and shall be served with a copy of all orders of the commission.**

30 **4. Nothing in sections 138.190 to 138.480 shall be construed or interpreted to mean**
31 **that the taxpayer advocate shall not have the right to appeal any and all orders of the state**
32 **tax commission to the courts which right of appeal exists.**

33 **5. The taxpayer advocate shall have all powers necessary or proper to carry out the**
34 **duties specified in this section.**

139.031. 1. Any taxpayer may protest all or any part of any current taxes assessed
2 against the taxpayer, except taxes collected by the director of revenue of Missouri. Any such
3 taxpayer desiring to pay any current taxes under protest shall, at the time of paying such taxes,
4 file with the collector a written statement setting forth the grounds on which the protest is based.
5 The statement shall include the true value in money claimed by the taxpayer if disputed.

6 2. Upon receiving payment of current taxes under protest pursuant to subsection 1 of this
7 section or upon receiving notice of an appeal pursuant to section 138.430, RSMo, the collector
8 shall disburse to the proper official all portions of taxes not disputed by the taxpayer and shall
9 impound in a separate fund all portions of such taxes which are in dispute. Except as provided
10 in [subsection] **subsections 3 and 10** of this section, every taxpayer protesting the payment of
11 current taxes shall, within ninety days after filing his protest, commence an action against the
12 collector by filing a petition for the recovery of the amount protested in the circuit court of the
13 county in which the collector maintains his office. If any taxpayer so protesting his taxes shall
14 fail to commence an action in the circuit court for the recovery of the taxes protested within the
15 time prescribed in this subsection, such protest shall become null and void and of no effect, and
16 the collector shall then disburse to the proper official the taxes impounded, and any interest
17 earned thereon, as provided above in this subsection.

18 3. No action against the collector shall be commenced by any taxpayer who has, for the
19 current tax year in issue, filed with the state tax commission a timely and proper appeal of the
20 protested taxes. Such taxpayer shall notify the collector of the appeal in the written statement
21 required by subsection 1 of this section. The taxes so protested shall be impounded in a separate
22 fund and the commission may order all or any part of such taxes refunded to the taxpayer, or may
23 authorize the collector to release and disburse all or any part of such taxes in its decision and
24 order issued pursuant to chapter 138, RSMo.

25 4. Trial of the action in the circuit court shall be in the manner prescribed for nonjury
26 civil proceedings, and, after determination of the issues, the court shall make such orders as may
27 be just and equitable to refund to the taxpayer all or any part of the current taxes paid under
28 protest, together with any interest earned thereon, or to authorize the collector to release and
29 disburse all or any part of the impounded taxes, and any interest earned thereon, to the
30 appropriate officials of the taxing authorities. Either party to the proceedings may appeal the
31 determination of the circuit court.

32 5. All the county collectors of taxes, and the collector of taxes in any city not within a
33 county, shall, upon written application of a taxpayer, refund or credit against the taxpayer's tax
34 liability in the following taxable year and subsequent consecutive taxable years until the taxpayer
35 has received credit in full for any real or personal property tax mistakenly or erroneously levied
36 against the taxpayer and collected in whole or in part by the collector. Such application shall be
37 filed within three years after the tax is mistakenly or erroneously paid. The governing body, or
38 other appropriate body or official of the county or city not within a county, shall make available
39 to the collector funds necessary to make refunds under this subsection by issuing warrants upon
40 the fund to which the mistaken or erroneous payment has been credited, or otherwise.

41 6. No taxpayer shall receive any interest on any money paid in by the taxpayer
42 erroneously.

43 7. All protested taxes shall be invested by the collector in the same manner as assets
44 specified in section 30.260, RSMo, for investment of state moneys. A taxpayer who is entitled
45 to a refund of protested taxes shall also receive the interest earned on the investment thereof. If
46 the collector is ordered to release and disburse all or part of the taxes paid under protest to the
47 proper official, such taxes shall be disbursed along with the proportional amount of interest
48 earned on the investment of the taxes due the particular taxing authority.

49 8. On or before March first next following the delinquent date of taxes paid under
50 protest, the county collector shall notify any taxing authority of the taxes paid under protest
51 which would be received by such taxing authority if the funds were not the subject of a protest.
52 Any taxing authority may apply to the circuit court of the county or city not within a county in
53 which a collector has impounded protested taxes under this section and, upon a satisfactory

54 showing that such taxing authority would receive such impounded tax funds if they were not the
55 subject of a protest and that such taxing authority has the financial ability and legal capacity to
56 repay such impounded tax funds in the event a decision ordering a refund to the taxpayer is
57 subsequently made, the circuit court shall order, pendente lite, the disbursal of all or any part of
58 such impounded tax funds to such taxing authority. The circuit court issuing an order under this
59 subsection shall retain jurisdiction of such matter for further proceedings, if any, to compel
60 restitution of such tax funds to the taxpayer. In the event that any protested tax funds refunded
61 to a taxpayer were disbursed to a taxing authority under this subsection instead of being held and
62 invested by the collector under subsection 7 of this section, such taxing authority shall pay the
63 taxpayer entitled to the refund of such protested taxes the same amount of interest, as determined
64 by the circuit court having jurisdiction in the matter, such protested taxes would have earned if
65 they had been held and invested by the collector.

66 9. No appeal filed shall stay any order of refund, but the decision filed by any court of
67 last review modifying the circuit court's or state tax commission's determination pertaining to
68 the amount of refund shall be binding on the parties, and the decision rendered shall be complied
69 with by the party affected by any modification within ninety days of the date of such decision.
70 No taxpayer shall receive any interest on any additional award of refund, and the collector shall
71 not receive any interest on any ordered return of refund in whole or in part.

72 **10. Before commencing an action against the collector as provided in subsection 2**
73 **of this section, any taxpayer protesting the payment of current taxes may file a protest with**
74 **the state tax commission if the assessed valuation on the taxpayer's real property increased,**
75 **or if amount of the taxpayer's real or personal property tax due increased since the**
76 **taxpayer's last tax bill. The taxpayer shall pay the same amount of property tax that was**
77 **due on the taxpayer's previous tax bill, and shall protest only the increases in such assessed**
78 **valuation or property tax bills to the commission. Such protest shall be filed within sixty**
79 **days of the filing of the initial protest. The state tax commission shall review the procedure**
80 **used by the political subdivision to increase the taxpayer's assessed valuation or tax bills,**
81 **shall investigate all such protests, and shall correct any assessment or valuation which is**
82 **shown to be unlawful, unfair, improper, arbitrary or capricious. Nothing in this section**
83 **shall be construed to give the commission the power to fix the rate of tax levy, and the**
84 **provisions of section 138.340, RSMo, shall apply to all such protests. Upon the conclusion**
85 **of the commission's investigation and review under this subsection, the ninety-day period**
86 **for commencing an action against the collector under subsection 2 of this section shall**
87 **commence.**

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