

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 808,
Page 28, Section 94.832, Line 50, by inserting after all of said line the following:

“137.106. 1. This section [may] shall be known and may be cited as "The Missouri
Homestead Preservation Act".

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

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

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

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

(4) "Eligible owner", 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 the credit or who is disabled,
and who had an income of equal to or less than the maximum upper limit in the year prior to
completing an application pursuant to this section; or

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

(b) In the case of joint ownership by unmarried persons or ownership by tenancy in
common by two or more unmarried persons, such owners shall be considered an eligible owner if
each person with an ownership interest individually satisfies the eligibility requirements for an
individual eligible owner under this section and the combined income of all individuals with an
interest in the property is equal to or less than the maximum upper limit in the year prior to
completing an application under this section. If any individual with an ownership interest in the
property fails to satisfy the eligibility requirements of an individual eligible owner or if the
combined income of all individuals with interest in the property exceeds the maximum upper
limit, then all individuals with an ownership interest in such property shall be deemed ineligible

owners regardless of such other individual's ability to individually meet the eligibility requirements; or

(c) In the case of property held in trust, the eligible owner and recipient of the tax credit shall be the trust itself provided the previous owner of the homestead or the previous owner's spouse: is the settlor of the trust with respect to the homestead; currently resides in such homestead; and but for the transfer of such property would have satisfied the age, ownership, and maximum upper limit requirements for income as defined in subdivisions (7) and (8) of this subsection;

No individual shall be an eligible owner if the individual has not paid [their] the individual's property tax liability, if any, in full by the payment due date in any of the three prior tax years, except that a late payment of a property tax liability in any prior year shall not disqualify a potential eligible owner if such owner paid in full the tax liability and any and all penalties, additions and interest that arose as a result of such late payment; no individual shall be an eligible owner if such person filed a valid claim for the senior citizens property tax relief credit pursuant to sections 135.010 to 135.035, RSMo;

(5) "Homestead", as such term is defined pursuant to section 135.010, RSMo, except as limited by provisions of this section to the contrary. No property shall be considered a homestead if such property was improved since the most recent annual assessment by more than five percent of the prior year appraised value, except where an eligible owner of the property has made such improvements to accommodate a disabled person;

(6) "Homestead exemption limit", a percentage increase, rounded to the nearest hundredth of a percent, which shall be equal to the percentage increase to tax liability, not including improvements, of a homestead from one tax year to the next that exceeds a certain percentage set pursuant to subsection 10 of this section. For applications filed in 2005 or 2006, the homestead exemption limit shall be based on the increase to tax liability from 2004 to 2005. For applications filed between April 1, 2005, and September 30, 2006, an eligible owner, who otherwise satisfied the requirements of this section, shall not apply for the homestead exemption credit more than once during such period. For applications filed after 2006, the homestead exemption limit shall be based on the increase to tax liability from two years prior to application to the year immediately prior to application. For applications filed between December 31, 2008, and December 31, 2011, the homestead exemption limit shall be based on the increase in tax liability from the base year to the year prior to the application year. For applications filed on or after January 1, 2012, the homestead exemption limit shall be based on the increase to tax liability from two years prior to application to the year immediately prior to application. For purposes of this subdivision, the term "base year" means the year prior to the first year in which the eligible owner's application

1 was approved, or 2006, whichever is later;

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

5 (8) "Maximum upper limit", in the calendar year 2005, the income sum of seventy
6 thousand dollars; in each successive calendar year this amount shall be raised by the incremental
7 increase in the general price level, as defined pursuant to article X, section 17 of the Missouri
8 Constitution.

9 3. Pursuant to article X, section 6(a) of the Constitution of Missouri, if in the prior tax
10 year, the property tax liability on any parcel of subclass (1) real property increased by more than
11 the homestead exemption limit, without regard for any prior credit received due to the provisions
12 of this section, then any eligible owner of the property shall receive a homestead exemption credit
13 to be applied in the current tax year property tax liability to offset the prior year increase to tax
14 liability that exceeds the homestead exemption limit, except as eligibility for the credit is limited
15 by the provisions of this section. The amount of the credit shall be listed separately on each
16 taxpayer's tax bill for the current tax year, or on a document enclosed with the taxpayer's bill. The
17 homestead exemption credit shall not affect the process of setting the tax rate as required pursuant
18 to article X, section 22 of the Constitution of Missouri and section 137.073 in any prior, current,
19 or subsequent tax year.

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

29 (1) To the applicant's age;
30 (2) That the applicant's prior year income was less than the maximum upper limit;
31 (3) To the address of the homestead property; and
32 (4) That any improvements made to the homestead, not made to accommodate a disabled
33 person, did not total more than five percent of the prior year appraised value. The applicant shall
34 also include with the application copies of receipts indicating payment of property tax by the
35 applicant for the homestead property for the two prior tax years.

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

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

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

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

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

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

17 (1) To the applicant's age;

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

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

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

22 [(5)]
23

24 The applicant shall also include with the application copies of receipts indicating payment of
25 property tax by the applicant for the homestead property for the three prior tax years.

26 7. Each applicant shall send the application to the department by October fifteenth of each
27 year for the taxpayer to be eligible for the homestead exemption credit in the tax year next
28 following the calendar year in which the application was completed.

29 8. If application is made in 2005, upon receipt of the applications, the department shall
30 calculate the tax liability, adjusted to exclude new construction or improvements, verify
31 compliance with the maximum income limit, verify the age of the applicants, and make
32 adjustments to these numbers as necessary on the applications. The department also shall
33 disallow any application where the applicant has also filed a valid application for the senior
34 citizens property tax credit, pursuant to sections 135.010 to 135.035, RSMo. Once adjusted tax
35 liability, age, and income are verified, the director shall determine eligibility for the credit, and
36 provide a list of all verified eligible owners to the county collectors or county clerks in counties

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

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

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

25 11. For applications made in 2005, the general assembly shall make an appropriation for
26 the funding of the homestead exemption credit that is signed by the governor, then the director
27 shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a
28 single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a
29 percent, which, if applied to all homesteads of verified eligible owners who applied for the
30 homestead exemption credit in the immediately prior tax year, would cause all but one-quarter of
31 one percent of the amount of the appropriation, minus any withholding by the governor, to be
32 distributed during that fiscal year. The remaining one-quarter of one percent shall be distributed
33 to the county assessment funds of each county on a proportional basis, based on the number of
34 eligible owners in each county; such one-quarter percent distribution shall be delineated in any
35 such appropriation as a separate line item in the total appropriation. If no appropriation is made
36 by the general assembly during any tax year or no funds are actually distributed pursuant to any

1 appropriation therefor, then no homestead preservation credit shall apply in such year.

2 12. After setting the homestead exemption limit for applications made in 2005, the
3 director shall apply the limit to the homestead of each verified eligible owner and calculate the
4 credit to be associated with each verified eligible owner's homestead, if any. The director shall
5 send a list of those eligible owners who are to receive the homestead exemption credit, including
6 the amount of each credit, the certified parcel number of the homestead, and the address of the
7 homestead property, to the county collectors or county clerks in counties with a township form of
8 government by August thirty-first. Pursuant to such calculation, the director shall instruct the
9 state treasurer as to how to distribute the appropriation and assessment fund allocation to the
10 county collector's funds of each county or the treasurer ex officio collector's fund in counties with
11 a township form of government where recipients of the homestead exemption credit are located,
12 so as to exactly offset each homestead exemption credit being issued, plus the one-quarter of one
13 percent distribution for the county assessment funds. As a result of the appropriation, in no case
14 shall a political subdivision receive more money than it would have received absent the provisions
15 of this section plus the one-quarter of one percent distribution for the county assessment funds.
16 Funds, at the direction of the county collector or the treasurer ex officio collector in counties with
17 a township form of government, shall be deposited in the county collector's fund of a county or
18 the treasurer ex officio collector's fund or may be sent by mail to the collector of a county, or the
19 treasurer ex officio collector in counties with a township form of government, not later than
20 October first in any year a homestead exemption credit is appropriated as a result of this section
21 and shall be distributed as moneys in such funds are commonly distributed from other property tax
22 revenues by the collector of the county or the treasurer ex officio collector of the county in
23 counties with a township form of government, so as to exactly offset each homestead exemption
24 credit being issued. In counties with a township form of government, the county clerk shall
25 provide the treasurer ex officio collector a summary of the homestead exemption credit for each
26 township for the purpose of distributing the total homestead exemption credit to each township
27 collector in a particular county.

28 13. If, in any given year after 2005, the general assembly shall make an appropriation for
29 the funding of the homestead exemption credit that is signed by the governor, then the director
30 shall determine the apportionment percentage by equally apportioning the appropriation among all
31 eligible applicants on a percentage basis. If no appropriation is made by the general assembly
32 during any tax year or no funds are actually distributed pursuant to any appropriation therefor,
33 then no homestead preservation credit shall apply in such year.

34 14. After determining the apportionment percentage, the director shall calculate the credit
35 to be associated with each verified eligible owner's homestead, if any. The director shall send a
36 list of those eligible owners who are to receive the homestead exemption credit, including the

1 amount of each credit, the certified parcel number of the homestead, and the address of the
2 homestead property, to the county collectors or county clerks in counties with a township form of
3 government by August thirty-first. Pursuant to such calculation, the director shall instruct the
4 state treasurer as to how to distribute the appropriation to the county collector's fund of each
5 county where recipients of the homestead exemption credit are located, so as to exactly offset each
6 homestead exemption credit being issued. As a result of the appropriation, in no case shall a
7 political subdivision receive more money than it would have received absent the provisions of this
8 section. Funds, at the direction of the collector of the county or treasurer ex officio collector in
9 counties with a township form of government, shall be deposited in the county collector's fund of
10 a county or may be sent by mail to the collector of a county, or treasurer ex officio collector in
11 counties with a township form of government, not later than October first in any year a homestead
12 exemption credit is appropriated as a result of this section and shall be distributed as moneys in
13 such funds are commonly distributed from other property tax revenues by the collector of the
14 county or the treasurer ex officio collector of the county in counties with a township form of
15 government, so as to exactly offset each homestead exemption credit being issued.

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

29 16. In the event that an eligible owner dies or transfers ownership of the property after the
30 homestead exemption limit has been set in any given year, but prior to January first of the year in
31 which the credit would otherwise be applied, the credit shall be void and any corresponding
32 moneys, pursuant to subsection 12 of this section, shall lapse to the state to be credited to the
33 general revenue fund. In the event the collector of the county or the treasurer ex officio collector
34 of the county in counties with a township form of government determines prior to issuing the
35 credit that the individual is not an eligible owner because the individual did not pay the prior three
36 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.] Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December 31, 2016, 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 on December 31, 2022; and

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

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.