

**HOUSE****AMENDMENT NO. \_\_\_\_\_****Offered by \_\_\_\_\_****of \_\_\_\_\_**

1 AMEND House Committee Substitute for Senate Bill No. 668, Page  
 2 14, Section 137.010, Line 34, by inserting after all of said line  
 3 the following:

4 "137.106. 1. This section [may] shall be known and may be  
 5 cited as "The Missouri Homestead Preservation Act".

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

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

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

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

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

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

25 (b) In the case of joint ownership by unmarried persons or  
 26 ownership by tenancy in common by two or more unmarried persons,  
 27 such owners shall be considered an eligible owner if each person  
 28 with an ownership interest individually satisfies the eligibility  
 29 requirements for an individual eligible owner under this section

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1 and the combined income of all individuals with an interest in  
2 the property is equal to or less than the maximum upper limit in  
3 the year prior to completing an application under this section.  
4 If any individual with an ownership interest in the property  
5 fails to satisfy the eligibility requirements of an individual  
6 eligible owner or if the combined income of all individuals with  
7 interest in the property exceeds the maximum upper limit, then  
8 all individuals with an ownership interest in such property shall  
9 be deemed ineligible owners regardless of such other individual's  
10 ability to individually meet the eligibility requirements; or

11 (c) In the case of property held in trust, the eligible  
12 owner and recipient of the tax credit shall be the trust itself  
13 provided the previous owner of the homestead or the previous  
14 owner's spouse: is the settlor of the trust with respect to the  
15 homestead; currently resides in such homestead; and but for the  
16 transfer of such property would have satisfied the age,  
17 ownership, and maximum upper limit requirements for income as  
18 defined in [subdivisions (7) and (8) of] this subsection; No  
19 individual shall be an eligible owner if the individual has not  
20 paid [their] the individual's property tax liability, if any, in  
21 full by the payment due date in any of the three prior tax years,  
22 except that a late payment of a property tax liability in any  
23 prior year shall not disqualify a potential eligible owner if  
24 such owner paid in full the tax liability and any and all  
25 penalties, additions and interest that arose as a result of such  
26 late payment; no individual shall be an eligible owner if such  
27 person filed a valid claim for the senior citizens property tax  
28 relief credit pursuant to sections 135.010 to 135.035;

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

36 (6) "Homestead exemption limit", a percentage increase,  
37 rounded to the nearest hundredth of a percent, which shall be

1 equal to the percentage increase to tax liability, not including  
2 improvements, of a homestead from one tax year to the next that  
3 exceeds a certain percentage set pursuant to subsection 10 of  
4 this section. [For applications filed in 2005 or 2006, the  
5 homestead exemption limit shall be based on the increase to tax  
6 liability from 2004 to 2005. For applications filed between  
7 April 1, 2005, and September 30, 2006, an eligible owner, who  
8 otherwise satisfied the requirements of this section, shall not  
9 apply for the homestead exemption credit more than once during  
10 such period. For applications filed after 2006, the homestead  
11 exemption limit shall be based on the increase to tax liability  
12 from two years prior to application to the year immediately prior  
13 to application. For applications filed between December 31,  
14 2008, and December 31, 2011, the homestead exemption limit shall  
15 be based on the increase in tax liability from the base year to  
16 the year prior to the application year.] For applications filed  
17 on or after January 1, 2012, the homestead exemption limit shall  
18 be based on the increase to tax liability from two years prior to  
19 application to the year immediately prior to application. For  
20 purposes of this subdivision, the term "base year" means the year  
21 prior to the first year in which the eligible owner's application  
22 was approved, or 2006, whichever is later;

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

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

33 3. Pursuant to article X, section 6(a) of the Constitution  
34 of Missouri, if in the prior tax year, the property tax liability  
35 on any parcel of subclass (1) real property increased by more  
36 than the homestead exemption limit, without regard for any prior  
37 credit received due to the provisions of this section, then any

1 eligible owner of the property shall receive a homestead  
2 exemption credit to be applied in the current tax year property  
3 tax liability to offset the prior year increase to tax liability  
4 that exceeds the homestead exemption limit, except as eligibility  
5 for the credit is limited by the provisions of this section. The  
6 amount of the credit shall be listed separately on each  
7 taxpayer's tax bill for the current tax year, or on a document  
8 enclosed with the taxpayer's bill. The homestead exemption  
9 credit shall not affect the process of setting the tax rate as  
10 required pursuant to article X, section 22 of the Constitution of  
11 Missouri and section 137.073 in any prior, current, or subsequent  
12 tax year.

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

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

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

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

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

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

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

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

24           (1) To the applicant's age;

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

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

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

31           (5)].

32  
33 The applicant shall also include with the application copies of  
34 receipts indicating payment of property tax by the applicant for  
35 the homestead property for the three prior tax years.

36          [7.] 5. Each applicant shall send the application to the  
37 department by October fifteenth of each year for the taxpayer to

1 be eligible for the homestead exemption credit in the tax year  
2 next following the calendar year in which the application was  
3 completed.

4 [8. If application is made in 2005, upon receipt of the  
5 applications, the department shall calculate the tax liability,  
6 adjusted to exclude new construction or improvements verify  
7 compliance with the maximum income limit, verify the age of the  
8 applicants, and make adjustments to these numbers as necessary on  
9 the applications. The department also shall disallow any  
10 application where the applicant has also filed a valid  
11 application for the senior citizens property tax credit, pursuant  
12 to sections 135.010 to 135.035. Once adjusted tax liability,  
13 age, and income are verified, the director shall determine  
14 eligibility for the credit, and provide a list of all verified  
15 eligible owners to the county collectors or county clerks in  
16 counties with a township form of government by December fifteenth  
17 of each year. By January fifteenth, the county collectors or  
18 county clerks in counties with a township form of government  
19 shall provide a list to the department of any verified eligible  
20 owners who failed to pay the property tax due for the tax year  
21 that ended immediately prior. Such eligible owners shall be  
22 disqualified from receiving the credit in the current tax year.

23 9. If application is made after 2005,] 6. Upon receipt of  
24 the applications, the department shall calculate the tax  
25 liability, verify compliance with the maximum income limit,  
26 verify the age of the applicants, and make adjustments to these  
27 numbers as necessary on the applications. The department also  
28 shall disallow any application where the applicant also has filed  
29 a valid application for the senior citizens property tax credit  
30 under sections 135.010 to 135.035. Once adjusted tax liability,  
31 age, and income are verified, the director shall determine  
32 eligibility for the credit and provide a list of all verified  
33 eligible owners to the county assessors or county clerks in  
34 counties with a township form of government by December fifteenth  
35 of each year. By January fifteenth, the county assessors shall  
36 provide a list to the department of any verified eligible owners  
37 who made improvements not for accommodation of a disability to

1 the homestead and the dollar amount of the assessed value of such  
2 improvements. If the dollar amount of the assessed value of such  
3 improvements totaled more than five percent of the prior year  
4 appraised value, such eligible owners shall be disqualified from  
5 receiving the credit in the current tax year.

6 [10.] 7. The director shall calculate the level of  
7 appropriation necessary to set the homestead exemption limit at  
8 five percent when based on a year of general reassessment or at  
9 two and one-half percent when based on a year without general  
10 reassessment for the homesteads of all verified eligible owners,  
11 and provide such calculation to the speaker of the house of  
12 representatives, the president pro tempore of the senate, and the  
13 director of the office of budget and planning in the office of  
14 administration by January thirty- first of each year.

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

36 12. After setting the homestead exemption limit for  
37 applications made in 2005, the director shall apply the limit to

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



1 township collector in a particular county.

2 13.] 8. If, in any given year [after 2005], the general  
3 assembly [shall make] makes an appropriation for the funding of  
4 the homestead exemption credit that is signed by the governor,  
5 then the director shall determine the apportionment percentage by  
6 equally apportioning the appropriation among all eligible  
7 applicants on a percentage basis. If no appropriation is made by  
8 the general assembly during any tax year or no funds are actually  
9 distributed pursuant to any appropriation therefor, then no  
10 homestead preservation credit shall apply in such year.

11 [14.] 9. After determining the apportionment percentage,  
12 the director shall calculate the credit to be associated with  
13 each verified eligible owner's homestead, if any. The director  
14 shall send a list of those eligible owners who are to receive the  
15 homestead exemption credit, including the amount of each credit,  
16 the certified parcel number of the homestead, and the address of  
17 the homestead property, to the county collectors or county clerks  
18 in counties with a township form of government by August  
19 thirty-first. Pursuant to such calculation, the director shall  
20 instruct the state treasurer as to how to distribute the  
21 appropriation to the county collector's fund of each county where  
22 recipients of the homestead exemption credit are located, so as  
23 to exactly offset each homestead exemption credit being issued.  
24 As a result of the appropriation, in no case shall a political  
25 subdivision receive more money than it would have received absent  
26 the provisions of this section. Funds, at the direction of the  
27 collector of the county or treasurer ex officio collector in  
28 counties with a township form of government, shall be deposited  
29 in the county collector's fund of a county or may be sent by mail  
30 to the collector of a county, or treasurer ex officio collector  
31 in counties with a township form of government, not later than  
32 October first in any year a homestead exemption credit is  
33 appropriated as a result of this section and shall be distributed  
34 as moneys in such funds are commonly distributed from other  
35 property tax revenues by the collector of the county or the  
36 treasurer ex officio collector of the county in counties with a  
37 township form of government, so as to exactly offset each

1 homestead exemption credit being issued.

2 [15.] 10. The department shall promulgate rules for  
3 implementation of this section. Any rule or portion of a rule,  
4 as that term is defined in section 536.010, that is created under  
5 the authority delegated in this section shall become effective  
6 only if it complies with and is subject to all of the provisions  
7 of chapter 536 and, if applicable, section 536.028. This section  
8 and chapter 536 are nonseverable and if any of the powers vested  
9 with the general assembly pursuant to chapter 536 to review, to  
10 delay the effective date, or to disapprove and annul a rule are  
11 subsequently held unconstitutional, then the grant of rulemaking  
12 authority and any rule proposed or adopted after August 28,  
13 [2004] 2012, shall be invalid and void. Any rule promulgated by  
14 the department shall in no way impact, affect, interrupt, or  
15 interfere with the performance of the required statutory duties  
16 of any county elected official, more particularly including the  
17 county collector when performing such duties as deemed necessary  
18 for the distribution of any homestead appropriation and the  
19 distribution of all other real and personal property taxes.

20 [16.] 11. In the event that an eligible owner dies or  
21 transfers ownership of the property after the homestead exemption  
22 limit has been set in any given year, but prior to January first  
23 of the year in which the credit would otherwise be applied, the  
24 credit shall be void and any corresponding moneys[, pursuant to  
25 subsection 12 of this section,] shall lapse to the state to be  
26 credited to the general revenue fund. In the event the collector  
27 of the county or the treasurer ex officio collector of the county  
28 in counties with a township form of government determines prior  
29 to issuing the credit that the individual is not an eligible  
30 owner because the individual did not pay the prior three years'  
31 property tax liability in full, the credit shall be void and any  
32 corresponding moneys[, under subsection 11 of this section,]  
33 shall lapse to the state to be credited to the general revenue  
34 fund.

35 [17.] 12. This section shall apply to all tax years  
36 beginning on or after January 1, [2005] 2013. [This subsection

1 shall become effective June 28, 2004.

2 18. In accordance with the provisions of sections 23.250 to  
3 23.298 and unless otherwise authorized pursuant to section  
4 23.253:

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

8 (2) This section shall terminate on September first of the  
9 year following the year in which any new program authorized under  
10 this section is sunset, and the revisor of statutes shall  
11 designate such sections and this section in a revision bill for  
12 repeal.] 13. Under section 23.253 of the Missouri sunset act:

13 (1) The provisions of the new program authorized under this  
14 section shall automatically sunset on December thirty-first four  
15 years after the effective date of this section unless  
16 reauthorized by an act of the general assembly; and

17 (2) If such program is reauthorized, the program authorized  
18 under this section shall automatically sunset on December thirty-  
19 first four years after the effective date of the reauthorization  
20 of this; and

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

24 Further amend said title, enacting clause and intersectional  
25 references accordingly.