

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill Nos. 3 & 5, Page 1, Section 135.333, Line 9, by inserting after said section and line the following:

"137.107. 1. This section shall be known and may be cited as the "Missouri Homestead Preservation Act".

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

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

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

(3) "Disabled", the same meaning given to such term under section 135.010;

(4) "Eligible owner":

(a) Any individual owner of property who is sixty-five years of age or older as of January first of the tax year in which the individual is claiming the credit authorized under this section or who is disabled, and who had an income of less than or equal to the maximum upper limit in the year prior to completing an application under this section;

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

(c) 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 subdivision and the combined income of all individuals with an interest in the property is less than or equal to the maximum upper limit in the year immediately 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 no individuals with an ownership interest in such property shall be deemed an "eligible owner",

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 regardless of whether any such individuals could otherwise meet the eligibility requirements; or

2 (d) In the case of property held in trust, the "eligible owner" and recipient of the tax credit  
 3 shall be the trust itself; provided that, the previous owner of the homestead or the previous owner's  
 4 spouse:

5 a. Is the settlor of the trust with respect to the homestead;

6 b. Currently resides in such homestead; and

7 c. Would have satisfied the age, ownership, and maximum upper limit requirements for  
 8 income as defined in this subdivision, but for the transfer of such property;

9  
 10 No individual shall be an "eligible owner" if the individual has not paid the individual's property tax  
 11 liability, if any, in full by the payment due date in any of the three most recent prior tax years; except  
 12 that, a late payment of a property tax liability in any prior tax year shall not disqualify a potential  
 13 eligible owner if such individual paid in full the tax liability and any and all penalties, additions, and  
 14 interest that arose as a result of such late payment. No individual shall be an "eligible owner" if  
 15 such person filed a valid claim for the property tax relief credit under sections 135.010 to 135.035;

16 (5) "Homestead", the same meaning given to such term under section 135.010, except as  
 17 otherwise provided in this section. No property shall be considered a "homestead" if such property  
 18 has been improved since its most recent annual assessment by more than five percent of its  
 19 previously assessed value, except where an eligible owner of the property has made such  
 20 improvements to accommodate a disabled person;

21 (6) "Homestead exemption limit", a percentage increase, rounded to the nearest hundredth  
 22 of a percent, that is equal to the percentage increase in tax liability, not including improvements, of a  
 23 homestead from one tax year to the next, that exceeds a certain percentage set under subsection 7 of  
 24 this section. The homestead exemption limit shall be based on the increase in tax liability from two  
 25 years prior to the application to the year immediately prior to the application;

26 (7) "Income", federal adjusted gross income; except that, in the case of ownership of the  
 27 homestead by a trust, the income of the settlor applicant shall be imputed to the income of the trust  
 28 for purposes of determining eligibility with respect to the maximum upper limit;

29 (8) "Maximum upper limit", the income sum of seventy thousand dollars for the 2005  
 30 calendar year, increased each successive calendar year by the incremental increase in the general  
 31 price level, as defined under Article X, Section 17 of the Constitution of Missouri.

32 3. Under Article X, Section 6(a) of the Constitution of Missouri, if in the most recent prior  
 33 tax year, the property tax liability on any parcel of subclass (1) real property increased by more than  
 34 the homestead exemption limit, without regard for any prior credit received due to the provisions of  
 35 this section, any eligible owner of the property shall receive a homestead exemption credit to be  
 36 applied toward the current tax year property tax liability to offset the prior year increase in tax  
 37 liability that exceeds the homestead exemption limit, except as eligibility for the credit is limited by  
 38 the provisions of this section. The amount of the credit shall be listed separately on each taxpayer's  
 39 tax bill for the current tax year, or on a document enclosed with the taxpayer's bill. The homestead

1 exemption credit shall not affect the process of setting the tax rate as required under Article X,  
2 Section 22 of the Constitution of Missouri and section 137.073 in any prior, current, or subsequent  
3 tax year.

4 4. Any potential eligible owner may apply for the homestead exemption credit by  
5 completing an application. Applications shall be completed not earlier than April first and not later  
6 than October fifteenth of any tax year in order for the taxpayer to be eligible for the homestead  
7 exemption credit in the tax year next following the calendar year in which the homestead exemption  
8 credit application is completed. The application shall be on forms provided by the department.  
9 Forms shall be made available on the department's website and at all permanent branch offices and  
10 all full-time, temporary, and fee offices maintained by the department of revenue. On such  
11 applications, the applicant shall attest under penalty of perjury:

- 12 (1) To the applicant's age;  
13 (2) That the applicant's prior year income was less than the maximum upper limit;  
14 (3) To the address of the homestead property; and  
15 (4) That any improvements made to the homestead, not made to accommodate a disabled  
16 person, did not total more than five percent of the assessed value of the homestead for the most  
17 recent prior tax year.

18  
19 The applicant shall also include with the application copies of receipts indicating payment of  
20 property tax by the applicant for the homestead property for the three most recent prior tax years.

21 5. Each applicant shall submit the application to the department not later than October  
22 fifteenth of each year for the taxpayer to be eligible for the homestead exemption credit in the tax  
23 year next following the calendar year in which the application was submitted.

24 6. Upon receipt of the applications, the department shall calculate the tax liability, verify  
25 compliance with the maximum income limit, verify the ages of the applicants, and make  
26 adjustments to these numbers as necessary on the applications. The department shall disallow any  
27 application if the applicant also has filed a valid application for the property tax credit authorized  
28 under sections 135.010 to 135.035. Once adjusted tax liability, age, and income are verified, the  
29 director shall determine eligibility for the credit and provide a list of all verified eligible owners to  
30 the county assessors, or county clerks in counties with a township form of government, not later  
31 than December fifteenth of each year. Not later than the following January fifteenth, the county  
32 assessors shall provide a list to the department of any verified eligible owners who made  
33 improvements not for accommodation of a disability to the homestead and the dollar amount of the  
34 assessed value of such improvements. If the dollar amount of the assessed value of such  
35 improvements totals more than five percent of the assessed value from the most recent prior tax  
36 year, such eligible owners shall be disqualified from receiving the credit in the current tax year.

37 7. The director shall calculate the level of appropriation necessary to set the homestead  
38 exemption limit for the homesteads of all verified eligible owners at five percent when based on a  
39 year of general reassessment or at two and one-half percent when based on a year without general

1 reassessment. The director shall provide such calculation to the speaker of the house of  
2 representatives, the president pro tempore of the senate, and the director of the office of budget and  
3 planning in the office of administration not later than January thirty-first of each year.

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

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

28 10. In the event that an eligible owner dies or transfers ownership of the property after the  
29 homestead exemption limit has been set in any given year, but before January first of the year in  
30 which the credit would otherwise be applied, the credit shall be void and any corresponding moneys  
31 shall lapse to the state to be credited to the general revenue fund. In the event that the county  
32 collector, or the treasurer ex officio collector of the county in counties with a township form of  
33 government, determines prior to issuing the credit that the individual is not an eligible owner  
34 because the individual did not pay his or her property tax liability in full for the most recent prior  
35 three years, the credit shall be void and any corresponding moneys shall lapse to the state to be  
36 credited to the general revenue fund.

37 11. The department may promulgate rules and regulations for the implementation and  
38 administration of this section. Any rule or portion of a rule, as that term is defined in section  
39 536.010, that is created under the authority delegated in this section shall become effective only if it

1 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section  
2 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the  
3 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and  
4 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any  
5 rule proposed or adopted after the effective date of this section shall be invalid and void. No rule  
6 promulgated by the department shall in any way adversely impact, interrupt, or interfere with the  
7 performance of the required statutory duties of any county elected official including, but not limited  
8 to, the county collector, when performing such duties as deemed necessary for the distribution of  
9 any homestead appropriation and the distribution of all other real and personal property taxes.

10 12. Under section 23.253 of the Missouri sunset act:

11 (1) The provisions of this section shall automatically sunset six years after the effective date  
12 of this section unless reauthorized by an act of the general assembly;

13 (2) If the provisions of this section are reauthorized, such provisions shall automatically  
14 sunset twelve years after the effective date of the reauthorization; and

15 (3) This section shall terminate on January first of the calendar year immediately following  
16 the calendar year in which the provisions of this section are sunset."; and

17  
18 Further amend said bill, Page 7, Section C, Line 5, by inserting after said section and line the  
19 following:

20  
21 "Section D. The enactment of section 137.107 of section A of this act shall become effective  
22 on January 1, 2023."; and

23  
24 Further amend said bill by amending the title, enacting clause, and intersectional references  
25 accordingly.