

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 756, Page 1, Section A, Line 2, by inserting after said section and line the following:

3
4 "137.107. 1. This section shall be known and may be cited as the "Missouri Homestead
5 Preservation Act".

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

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

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

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

10 (4) "Eligible owner":

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

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

21 (c) In the case of joint ownership by unmarried persons or ownership by tenancy in common
22 by two or more unmarried persons, such owners shall be considered an "eligible owner" if each
23 person with an ownership interest individually satisfies the eligibility requirements for an individual
24 eligible owner under this subdivision and the combined income of all individuals with an interest in
25 the property is less than or equal to the maximum upper limit in the year immediately prior to
26 completing an application under this section. If any individual with an ownership interest in the
27 property fails to satisfy the eligibility requirements of an individual eligible owner or if the
28 combined income of all individuals with interest in the property exceeds the maximum upper limit,
29 no individuals with an ownership interest in such property shall be deemed an "eligible owner",
30 regardless of whether any such individuals could otherwise meet the eligibility requirements; or

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

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

5 b. Currently resides in such homestead; and

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

8
 9 No individual shall be an "eligible owner" if the individual has not paid the individual's property tax
 10 liability, if any, in full by the payment due date in any of the three most recent prior tax years, except
 11 that a late payment of a property tax liability in any prior tax year shall not disqualify a potential
 12 eligible owner if such individual paid in full the tax liability and any and all penalties, additions, and
 13 interest that arose as a result of such late payment. No individual shall be an "eligible owner" if
 14 such person filed a valid claim for the property tax relief credit under sections 135.010 to 135.035;

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

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

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

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

31 3. Under Article X, Section 6(a) of the Constitution of Missouri, if in the most recent prior
 32 tax year, the property tax liability on any parcel of subclass (1) real property increased by more than
 33 the homestead exemption limit, without regard for any prior credit received due to the provisions of
 34 this section, any eligible owner of the property shall receive a homestead exemption credit to be
 35 applied toward the current tax year property tax liability to offset the prior year increase in tax
 36 liability that exceeds the homestead exemption limit, except as eligibility for the credit is limited by
 37 the provisions of this section. The amount of the credit shall be listed separately on each taxpayer's
 38 tax bill for the current tax year or on a document enclosed with the taxpayer's bill. The homestead
 39 exemption credit shall not affect the process of setting the tax rate as required under Article X,

1 Section 22 of the Constitution of Missouri and section 137.073 in any prior, current, or subsequent
2 tax year.

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

11 (1) To the applicant's age;

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

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

14 (4) That any improvements made to the homestead, not made to accommodate a disabled
15 person, did not total more than five percent of the assessed value of the homestead for the most
16 recent prior tax year.

17
18 The applicant shall also include with the application copies of receipts indicating payment of
19 property tax by the applicant for the homestead property for the three most recent prior tax years.

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

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

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

1 representatives, the president pro tempore of the senate, and the director of the office of budget and
2 planning in the office of administration not later than January thirty-first of each year.

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

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

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

36 11. The department may promulgate rules and regulations for the implementation and
37 administration of this section. Any rule or portion of a rule, as that term is defined in section
38 536.010, that is created under the authority delegated in this section shall become effective only if it
39 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section

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

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

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

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

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

16
17 Further amend said bill, Page 3, Section B, Line 6, by inserting after said section and line the
18 following:

19
20 "Section C. The enactment of section 137.107 of section A of this act shall become effective
21 on January 1, 2025."; and

22
23 Further amend said bill by amending the title, enacting clause, and intersectional references
24 accordingly.