

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Bill No. 895, Page 1, Section 67.137, Line 3, by inserting
2 after all of said section and line the following:

3
4 "135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

5 (1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If
6 the persons are eligible to file a joint federal income tax return and reside at the same address at any
7 time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri
8 income tax return or a combined claim return reporting their combined incomes and property taxes.
9 A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the
10 age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a
11 resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the
12 Armed Forces of the United States or this state who became one hundred percent disabled as a result
13 of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section,
14 and such claimant or spouse provides proof of such disability in such form and manner, and at such
15 times, as the director of revenue may require, or if the claimant has reached the age of sixty on or
16 before the last day of the calendar year and such claimant received surviving spouse Social Security
17 benefits during the calendar year and the claimant provides proof, as required by the director of
18 revenue, that the claimant received surviving spouse Social Security benefits during the calendar
19 year for which the credit will be claimed. ~~[A claimant shall not be allowed a property tax credit if
20 the claimant filed a valid claim for a credit under section 137.106 in the year following the year for
21 which the property tax credit is claimed.]~~ The residency requirement shall be deemed to have been
22 fulfilled for the purpose of determining the eligibility of a surviving spouse for a property tax credit
23 if a person of the age of sixty-five years or older who would have otherwise met the requirements
24 for a property tax credit dies before the last day of the calendar year. The residency requirement
25 shall also be deemed to have been fulfilled for the purpose of determining the eligibility of a
26 claimant who would have otherwise met the requirements for a property tax credit but who dies
27 before the last day of the calendar year;

28 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any
29 medically determinable physical or mental impairment which can be expected to result in death or
30 which has lasted or can be expected to last for a continuous period of not less than twelve months.

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1 A claimant shall not be required to be gainfully employed prior to such disability to qualify for a
2 property tax credit;

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

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

25 (5) "Income", Missouri adjusted gross income as defined in section 143.121 less two
26 thousand dollars for all calendar years ending on or before December 31, 2024, or in the case of a
27 homestead owned and occupied, for the entire year, by the claimant, less four thousand dollars as an
28 exemption for the claimant's spouse residing at the same address[;] for all calendar years ending on
29 or before December 31, 2024, and for all calendar years beginning on or after January 1, 2025, less
30 two thousand eight hundred dollars, or in the case of a homestead owned and occupied, for the
31 entire year, by the claimant, less five thousand eight hundred dollars as an exemption for the
32 claimant's spouse residing at the same address; and increased, where necessary, to reflect the
33 following:

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

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

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

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

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

6 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,
7 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.
8 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed. The
9 director of revenue shall require a tax receipt or other proof of property tax payment. If a homestead
10 is owned only partially by claimant, then "property taxes accrued" is that part of property taxes
11 levied on the homestead which was actually paid by the claimant. For purposes of this subdivision,
12 property taxes are "levied" when the tax roll is delivered to the director of revenue for collection. If
13 a claimant owns a homestead part of the preceding calendar year and rents it or a different
14 homestead for part of the same year, "property taxes accrued" means only taxes levied on the
15 homestead both owned and occupied by the claimant, multiplied by the percentage of twelve months
16 that such property was owned and occupied as the homestead of the claimant during the year. When
17 a claimant owns and occupies two or more different homesteads in the same calendar year, property
18 taxes accrued shall be the sum of taxes allocable to those several properties occupied by the
19 claimant as a homestead for the year. If a homestead is an integral part of a larger unit such as a
20 farm, or multipurpose or multidwelling building, property taxes accrued shall be that percentage of
21 the total property taxes accrued as the value of the homestead is of the total value. For purposes of
22 this subdivision "unit" refers to the parcel of property covered by a single tax statement of which the
23 homestead is a part;

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

26 135.025. The property taxes accrued and rent constituting property taxes accrued on each
27 return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting property
28 taxes actually paid or eleven hundred dollars in actual property tax paid, shall be used in
29 determining the property tax credit for all calendar years ending on or before December 31, 2024.
30 For all calendar years beginning on or after January 1, 2025, this total, up to one thousand fifty-five
31 dollars in rent constituting property taxes actually paid or one thousand five hundred fifty dollars in
32 actual property tax paid, shall be used in determining the property tax credit. The director of
33 revenue shall prescribe regulations providing for allocations where part of a claimant's homestead is
34 rented to another or used for nondwelling purposes or where a homestead is owned or rented or used
35 as a dwelling for part of a year.

36 135.030. 1. As used in this section:

37 (1) The term "maximum upper limit" shall, for each calendar year after December 31, 1997,
38 but before calendar year 2008, be the sum of twenty-five thousand dollars. For all calendar years
39 beginning on or after January 1, 2008, but ending on or before December 31, 2024, the maximum

1 upper limit shall be the sum of twenty-seven thousand five hundred dollars. In the case of a
 2 homestead owned and occupied for the entire year by the claimant, for all calendar years ending on
 3 or before December 31, 2024, the maximum upper limit shall be the sum of thirty thousand dollars.
 4 For all calendar years beginning on or after January 1, 2025, the maximum upper limit shall be the
 5 sum of thirty eight thousand two hundred dollars and in the case of a homestead owned and
 6 occupied for the entire year by the claimant, the maximum upper limit shall be the sum of forty-two
 7 thousand two hundred dollars. Beginning January 1, 2026, the maximum upper limits shall be
 8 increased annually for inflation based on the Consumer Price Index for All Urban Consumers for the
 9 Midwest Region, as defined and officially recorded by the United States Department of Labor or its
 10 successor;

11 (2) The term "minimum base" shall, for each calendar year after December 31, 1997, but
 12 before calendar year 2008, be the sum of thirteen thousand dollars. For all calendar years beginning
 13 on or after January 1, 2008, the minimum base shall be the sum of fourteen thousand three hundred
 14 dollars.

15 2. (1) If the income on a return is equal to or less than the maximum upper limit for the
 16 calendar year for which the return is filed, the property tax credit shall be determined from a table of
 17 credits based upon the amount by which the total property tax described in section 135.025 exceeds
 18 the percent of income in the following list:

If the income on the return is:	The percent is:
Not over the minimum base	0 percent with credit not to exceed \$1,100 in actual property tax or rent equivalent paid up to \$750
Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per \$300 from 0 percent to 4 percent.

19 (2) The director of revenue shall prescribe a table based upon ~~[the preceding sentences]~~
 20 subdivision (1) of this subsection. The property tax shall be in increments of twenty-five dollars and
 21 the income in increments of three hundred dollars. The credit shall be the amount rounded to the
 22 nearest whole dollar computed on the basis of the property tax and income at the midpoints of each
 23 increment. As used in this subsection, the term "accumulative" means an increase by continuous or
 24 repeated application of the percent to the income increment at each three hundred dollar level.

25 3. (1) For all calendar years beginning on or after January 1, 2025, if the income on a return
 26 is equal to or less than the maximum upper limit for the calendar year for which the return is filed,
 27 the property tax credit shall be determined from a table of credits based upon the amount by which
 28 the total property tax described in section 135.025 exceeds the percent of income in the following
 29 list:

<u>If the income on the return is:</u>	<u>The percent is:</u>
<u>Not over the minimum base</u>	<u>0 percent with credit not to exceed \$1,550 in actual property</u>

	<u>tax or rent equivalent paid up to \$1,055.</u>
<u>Over the minimum base but not over the maximum upper limit</u>	<u>1/16 percent accumulative per \$495 from 0 percent to 2 percent.</u>

1 (2) The director of revenue shall prescribe a table based upon subdivision (1) of this
2 subsection. The property tax shall be in increments of twenty-five dollars and the income in
3 increments of four hundred ninety-five dollars. The credit shall be the amount rounded to the
4 nearest whole dollar computed on the basis of the property tax and income at the midpoints of each
5 increment. As used in this subsection, the term "accumulative" means an increase by continuous or
6 repeated application of the percent to the income increment at each four-hundred-ninety-five-dollar
7 level.

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

13 137.073. 1. As used in this section, the following terms mean:

14 (1) "General reassessment", changes in value, entered in the assessor's books, of a
15 substantial portion of the parcels of real property within a county resulting wholly or partly from
16 reappraisal of value or other actions of the assessor or county equalization body or ordered by the
17 state tax commission or any court;

18 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each
19 purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax
20 rate authorized by election, including bond interest and sinking fund;

21 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the
22 provisions of this section or when a court has determined the tax rate; except that, other provisions
23 of law to the contrary notwithstanding, a school district may levy the operating levy for school
24 purposes required for the current year pursuant to subsection 2 of section 163.021, less all
25 adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate
26 does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum
27 tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political
28 subdivision as provided in this section;

29 (4) "Tax revenue", when referring to the previous year, means the actual receipts from ad
30 valorem levies on all classes of property, including state-assessed property, in the immediately
31 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected
32 in the fiscal year and plus an additional allowance for the revenue which would have been collected
33 from property which was annexed by such political subdivision but which was not previously used
34 in determining tax revenue pursuant to this section. The term "tax revenue" shall not include any
35 receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these

1 terms are defined in section 386.020, which were assessed by the assessor of a county or city in the
2 previous year but are assessed by the state tax commission in the current year. All school districts
3 and those counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax
4 revenue an amount equivalent to that by which they reduced property tax levies as a result of sales
5 tax pursuant to section 67.505 and section 164.013 [~~or as excess home dock city or county fees as~~
6 ~~provided in subsection 4 of section 313.820~~] in the immediately preceding fiscal year but not
7 including any amount calculated to adjust for prior years. For purposes of political subdivisions
8 which were authorized to levy a tax in the prior year but which did not levy such tax or levied a
9 reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by
10 law, shall mean the revenues equal to the amount that would have been available if the voluntary
11 rate reduction had not been made.

12 2. (1) Whenever changes in assessed valuation are entered in the assessor's books for any
13 personal property, in the aggregate, or for any subclass of real property as such subclasses are
14 established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016,
15 the county clerk in all counties and the assessor of St. Louis City shall notify each political
16 subdivision wholly or partially within the county or St. Louis City of the change in valuation of each
17 subclass of real property, individually, and personal property, in the aggregate, exclusive of new
18 construction and improvements. All political subdivisions shall immediately revise the applicable
19 rates of levy for each purpose for each subclass of real property, individually, and personal property,
20 in the aggregate, for which taxes are levied to the extent necessary to produce from all taxable
21 property, exclusive of new construction and improvements, substantially the same amount of tax
22 revenue as was produced in the previous year for each subclass of real property, individually, and
23 personal property, in the aggregate, except that the rate shall not exceed the greater of the most
24 recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2)
25 of subsection 5 of this section.

26 (2) Any political subdivision that has received approval from voters for a tax increase after
27 August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue as the
28 amount of revenue that would have been derived by applying the voter-approved increased tax rate
29 ceiling to the total assessed valuation of the political subdivision as most recently certified by the
30 city or county clerk on or before the date of the election in which such increase is approved,
31 increased by the percentage increase in the consumer price index, as provided by law, except that the
32 rate shall not exceed the greater of the most recent voter-approved rate or the most recent voter-
33 approved rate as adjusted under subdivision (2) of subsection 5 of this section. Such tax revenue
34 shall not include any receipts from ad valorem levies on any real property which was assessed by
35 the assessor of a county or city in such previous year but is assessed by the assessor of a county or
36 city in the current year in a different subclass of real property.

37 (3) Where the taxing authority is a school district for the purposes of revising the applicable
38 rates of levy for each subclass of real property, the tax revenues from state-assessed railroad and
39 utility property shall be apportioned and attributed to each subclass of real property based on the

1 percentage of the total assessed valuation of the county that each subclass of real property represents
2 in the current taxable year.

3 (4) As provided in Section 22 of Article X of the constitution, a political subdivision may
4 also revise each levy to allow for inflationary assessment growth occurring within the political
5 subdivision. The inflationary growth factor for any such subclass of real property or personal
6 property shall be limited to the actual assessment growth in such subclass or class, exclusive of new
7 construction and improvements, and exclusive of the assessed value on any real property which was
8 assessed by the assessor of a county or city in the current year in a different subclass of real
9 property, but not to exceed the ~~[consumer price index or five percent, whichever is]~~ lower of the
10 following:

11 (a) The consumer price index; or

12 (b) The following percentage:

13 a. For revisions under this subsection occurring before January 1, 2025, five percent; or

14 b. For revisions under this subsection occurring on or after January 1, 2025, three percent.

15 (5) Should the tax revenue of a political subdivision from the various tax rates determined in
16 this subsection be different than the tax revenue that would have been determined from a single tax
17 rate as calculated pursuant to the method of calculation in this subsection prior to January 1, 2003,
18 then the political subdivision shall revise the tax rates of those subclasses of real property,
19 individually, and/or personal property, in the aggregate, in which there is a tax rate reduction,
20 pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such
21 difference and shall be apportioned among such subclasses of real property, individually, and/or
22 personal property, in the aggregate, based on the relative assessed valuation of the class or
23 subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each class
24 or subclass shall be made by computing the percentage of current year adjusted assessed valuation
25 of each class or subclass with a tax rate reduction to the total current year adjusted assessed
26 valuation of the class or subclasses with a tax rate reduction, multiplying the resulting percentages
27 by the revenue difference between the single rate calculation and the calculations pursuant to this
28 subsection and dividing by the respective adjusted current year assessed valuation of each class or
29 subclass to determine the adjustment to the rate to be levied upon each class or subclass of property.
30 The adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in
31 the manner provided in this subsection, and added to the initial rate computed for each class or
32 subclass of property.

33 (6) For school districts that levy separate tax rates on each subclass of real property and
34 personal property in the aggregate, if voters approved a ballot before January 1, 2011, that presented
35 separate stated tax rates to be applied to the different subclasses of real property and personal
36 property in the aggregate, or increases the separate rates that may be levied on the different
37 subclasses of real property and personal property in the aggregate by different amounts, the tax rate
38 that shall be used for the single tax rate calculation shall be a blended rate, calculated in the manner
39 provided under subdivision (1) of subsection 6 of this section.

1 (7) Notwithstanding any provision of this subsection to the contrary, no revision to the rate
2 of levy for personal property shall cause such levy to increase over the levy for personal property
3 from the prior year.

4 3. (1) Where the taxing authority is a school district, it shall be required to revise the rates
5 of levy to the extent necessary to produce from all taxable property, including state-assessed railroad
6 and utility property, which shall be separately estimated in addition to other data required in
7 complying with section 164.011, substantially the amount of tax revenue permitted in this section.
8 In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's
9 reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the
10 event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the
11 estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that
12 the estimates used result in receipt of excess revenues, which would have required a lower rate if the
13 actual information had been known, the school district shall reduce the tax rate ceiling in the
14 following year to compensate for the excess receipts, and the recalculated rate shall become the tax
15 rate ceiling for purposes of this section.

16 (2) For any political subdivision which experiences a reduction in the amount of assessed
17 valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant to
18 sections 138.430 to 138.433, or due to clerical errors or corrections in the calculation or recordation
19 of any assessed valuation:

20 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes
21 to compensate for the reduction in assessed value occurring after the political subdivision calculated
22 the tax rate ceiling for the particular subclass of real property or for personal property, in the
23 aggregate, in a prior year. Such revision by the political subdivision shall be made at the time of the
24 next calculation of the tax rate for the particular subclass of real property or for personal property, in
25 the aggregate, after the reduction in assessed valuation has been determined and shall be calculated
26 in a manner that results in the revised tax rate ceiling being the same as it would have been had the
27 corrected or finalized assessment been available at the time of the prior calculation;

28 (b) In addition, for up to three years following the determination of the reduction in assessed
29 valuation as a result of circumstances defined in this subdivision, such political subdivision may
30 levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in
31 paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had the corrected
32 or finalized assessment been available at the time of the prior calculation.

33 4. (1) In order to implement the provisions of this section and Section 22 of Article X of the
34 Constitution of Missouri, the term improvements shall apply to both real and personal property. In
35 order to determine the value of new construction and improvements, each county assessor shall
36 maintain a record of real property valuations in such a manner as to identify each year the increase
37 in valuation for each political subdivision in the county as a result of new construction and
38 improvements. The value of new construction and improvements shall include the additional
39 assessed value of all improvements or additions to real property which were begun after and were

1 not part of the prior year's assessment, except that the additional assessed value of all improvements
2 or additions to real property which had been totally or partially exempt from ad valorem taxes
3 pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255, and section 353.110 shall be
4 included in the value of new construction and improvements when the property becomes totally or
5 partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in
6 valuation of personal property for the current year over that of the previous year is the equivalent of
7 the new construction and improvements factor for personal property. Notwithstanding any opt-out
8 implemented pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of
9 new construction and improvements and the amount of assessed value on any real property which
10 was assessed by the assessor of a county or city in such previous year but is assessed by the assessor
11 of a county or city in the current year in a different subclass of real property separately for each of
12 the three subclasses of real property for each political subdivision to the county clerk in order that
13 political subdivisions shall have this information for the purpose of calculating tax rates pursuant to
14 this section and Section 22, Article X, Constitution of Missouri. In addition, the state tax
15 commission shall certify each year to each county clerk the increase in the general price level as
16 measured by the Consumer Price Index for All Urban Consumers for the United States, or its
17 successor publications, as defined and officially reported by the United States Department of Labor,
18 or its successor agency. The state tax commission shall certify the increase in such index on the
19 latest twelve-month basis available on February first of each year over the immediately preceding
20 prior twelve-month period in order that political subdivisions shall have this information available in
21 setting their tax rates according to law and Section 22 of Article X of the Constitution of Missouri.
22 For purposes of implementing the provisions of this section and Section 22 of Article X of the
23 Missouri Constitution, the term "property" means all taxable property, including state-assessed
24 property.

25 (2) Each political subdivision required to revise rates of levy pursuant to this section or
26 Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is authorized
27 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided
28 in this section and Section 22 of Article X of the Constitution of Missouri, separately and without
29 regard to annual tax rate reductions provided in section 67.505 and section 164.013. Each political
30 subdivision shall set each tax rate it is authorized to levy using the calculation that produces the
31 lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of
32 Section 10(c) of Article X of the Constitution of Missouri, that the provisions of such section be
33 applicable to tax rate revisions mandated pursuant to Section 22 of Article X of the Constitution of
34 Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and
35 other provisions not in conflict with Section 22 of Article X of the Constitution of Missouri. Annual
36 tax rate reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as
37 established pursuant to this section and Section 22 of Article X of the Constitution of Missouri,
38 unless otherwise provided by law.

1 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section
2 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall
3 be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more
4 than a simple majority pursuant to any provision of law or the constitution, the tax rate increase
5 must receive approval by at least the majority required.

6 (2) When voters approve an increase in the tax rate, the amount of the increase shall be
7 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not
8 exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for
9 approval rather than describing the amount of increase in the question, the stated tax rate approved
10 shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling.
11 The increased tax rate ceiling as approved shall be adjusted such that when applied to the current
12 total assessed valuation of the political subdivision, excluding new construction and improvements
13 since the date of the election approving such increase, the revenue derived from the adjusted tax rate
14 ceiling is equal to the sum of: the amount of revenue which would have been derived by applying
15 the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision,
16 as most recently certified by the city or county clerk on or before the date of the election in which
17 such increase is approved, increased by the percentage increase in the consumer price index, as
18 provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the
19 political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax
20 rate increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed
21 in this section to yield the sum of: the amount of revenue that would be derived by applying such
22 voter-approved increased rate to the total assessed valuation, as most recently certified by the city or
23 county clerk on or before the date of the election in which such increase was approved, increased by
24 the percentage increase in the consumer price index, as provided by law, from the date of the
25 election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

26 (3) The governing body of any political subdivision may levy a tax rate lower than its tax
27 rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not
28 exceeding the tax rate ceiling without voter approval in the manner provided under subdivision (4)
29 of this subsection. Nothing in this section shall be construed as prohibiting a political subdivision
30 from voluntarily levying a tax rate lower than that which is required under the provisions of this
31 section or from seeking voter approval of a reduction to such political subdivision's tax rate ceiling.

32 (4) In a year of general reassessment, a governing body whose tax rate is lower than its tax
33 rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if its
34 tax rate was at the tax rate ceiling. In a year following general reassessment, if such governing body
35 intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public
36 meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior to
37 setting and certifying its tax rate. The provisions of this subdivision shall not apply to any political
38 subdivision which levies a tax rate lower than its tax rate ceiling solely due to a reduction required
39 by law resulting from sales tax collections. The provisions of this subdivision shall not apply to any

1 political subdivision which has received voter approval for an increase to its tax rate ceiling
2 subsequent to setting its most recent tax rate.

3 6. (1) For the purposes of calculating state aid for public schools pursuant to section
4 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a
5 blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first
6 determining the total tax revenue of the property within the jurisdiction of the taxing authority,
7 which amount shall be equal to the sum of the products of multiplying the assessed valuation of
8 each class and subclass of property by the corresponding tax rate for such class or subclass, then
9 dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then
10 multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school
11 district, such blended rate shall also be used by such school district for calculating revenue from
12 state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax
13 rate by purpose.

14 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the
15 county commission in the county or counties where the tax rate applies of its tax rate ceiling and its
16 proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the
17 nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-
18 hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round
19 up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-
20 hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a
21 fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent.
22 Any taxing authority levying a property tax rate shall provide data, in such form as shall be
23 prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All
24 forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not
25 be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the
26 calculation of rates pursuant to this section which do not currently exist in rule form or that have
27 been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for
28 debt service shall provide data, in such form as shall be prescribed by the state auditor by rule,
29 substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for
30 annual debt service requirements will be prima facie valid if, after making the payment for which
31 the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following
32 year's payments. The county clerk shall keep on file and available for public inspection all such
33 information for a period of three years. The clerk shall, within three days of receipt, forward a copy
34 of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data
35 to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such
36 information and return to the county clerk his or her findings as to compliance of the tax rate ceiling
37 with this section and as to compliance of any proposed tax rate for debt service with Missouri law.
38 If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri
39 law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may

1 request a taxing authority to submit documentation supporting such taxing authority's proposed tax
2 rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing
3 authority and shall file a copy of the findings with the information received from the taxing
4 authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk
5 of the state auditor's findings and any request for supporting documentation to accept or reject in
6 writing the rate change certified by the state auditor and to submit all requested information to the
7 state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted
8 to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate
9 change certified by the state auditor and the state auditor does not receive supporting information
10 which justifies the taxing authority's original or any subsequent proposed tax rate, then the state
11 auditor shall refer the perceived violations of such taxing authority to the attorney general's office
12 and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from
13 levying a violative tax rate.

14 (3) In the event that the taxing authority incorrectly completes the forms created and
15 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing authority
16 may submit amended forms with an explanation for the needed changes. If such amended forms are
17 filed under regulations prescribed by the state auditor, the state auditor shall take into consideration
18 such amended forms for the purposes of this subsection.

19 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
20 subdivision has complied with the foregoing provisions of this section.

21 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with
22 the provisions of this section, the taxpayer may make a formal complaint with the prosecuting
23 attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the
24 filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an
25 action as representative of a class of all taxpayers within a taxing authority if the class is so
26 numerous that joinder of all members is impracticable, if there are questions of law or fact common
27 to the class, if the claims or defenses of the representative parties are typical of the claims or
28 defenses of the class, and if the representative parties will fairly and adequately protect the interests
29 of the class. In any class action maintained pursuant to this section, the court may direct to the
30 members of the class a notice to be published at least once each week for four consecutive weeks in
31 a newspaper of general circulation published in the county where the civil action is commenced and
32 in other counties within the jurisdiction of a taxing authority. The notice shall advise each member
33 that the court will exclude him or her from the class if he or she so requests by a specified date, that
34 the judgment, whether favorable or not, will include all members who do not request exclusion, and
35 that any member who does not request exclusion may, if he or she desires, enter an appearance. In
36 any class action brought pursuant to this section, the court, in addition to the relief requested, shall
37 assess against the taxing authority found to be in violation of this section the reasonable costs of
38 bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be
39 awarded any attorney or association of attorneys who receive public funds from any source for their

1 services. Any action brought pursuant to this section shall be set for hearing as soon as practicable
2 after the cause is at issue.

3 9. If in any action, including a class action, the court issues an order requiring a taxing
4 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the
5 collection of a tax because of its failure to revise the rate of levy as provided in this section, any
6 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her
7 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or
8 otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced
9 by the original levy and the amount produced by the revised levy. The township or county collector
10 of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The
11 taxing authority refusing to revise the rate of levy as provided in this section shall make available to
12 the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall
13 receive any interest on any money erroneously paid by him or her pursuant to this subsection.
14 Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority
15 to refund any tax erroneously paid prior to or during the third tax year preceding the current tax
16 year.

17 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
18 under the authority delegated in this section shall become effective only if it complies with and is
19 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
20 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
21 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
22 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
23 August 28, 2004, shall be invalid and void."; and

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