

HCS HBs 2432, 2482 & 2543 -- LOCAL HOMESTEAD PROPERTY TAX CREDITS

SPONSOR: Hausman

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 25 to 2. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 7 to 1.

The following is a summary of the House Committee Substitute for HB 2432.

Currently, a county may grant a real property tax credit to qualifying seniors. A senior qualifies by being:

- (1) Eligible for Social Security retirement benefits;
- (2) The owner of record or having a legal or equitable interest in a homestead; and
- (3) Liable for the payment of real property taxes on the homestead.

This bill modifies the criteria for a qualifying senior by requiring that the eligible taxpayer be a Missouri resident who:

- (1) Is 62 years of age or older;
- (2) Is the owner of record or having a legal or equitable interest in a homestead as evidenced by a publicly recorded or a verified written instrument, including but not limited to a trust document in which at least one primary beneficiary is 62 years of age or older;
- (3) Is liable for the payment of real property taxes on such homestead; and
- (4) Does not owe any delinquent taxes, interest, or penalties to the county.

An eligible taxpayer will receive a tax credit in an amount that equals the difference between his or her real property tax liability for a given tax year from all taxing entities, minus the real property tax liability in the initial credit year.

The "initial credit year" is defined as either:

(1) For all taxpayers who meet all of the requirements of an eligible taxpayer listed above, the year in which such credit is authorized; or

(2) For all other taxpayers, the year in which the taxpayer meets all of the requirements of an eligible taxpayer listed above.

If the eligible taxpayer's real property tax liability is lower than the liability owed in the year subsequent to becoming eligible, such tax year will be considered the eligible taxpayer's initial credit year for all subsequent tax years.

If the governing body of a county adopts an ordinance authorizing the tax credit, nothing shall prevent the county from amending or superseding that ordinance by a subsequently adopted ballot referendum put before the voters that addresses the same tax credit.

The governing body of a county may adopt reasonable procedures in carrying out the purposes of this bill, provided that the county does not adopt any procedure that limits the definition or scope of the "eligible credit amount" or "eligible taxpayer" as defined in the bill.

Nothing will prevent an eligible taxpayer from appealing a real property assessment, nor shall anything in this bill relieve a taxpayer from his or her obligation to pay the tax liability of the State Blind Pension Fund.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the current law, as written, is ambiguous and difficult to follow. This bill offers clarification for citizens and counties. Supporters further say that seniors need and deserve relief, but if counties are unable to decipher the provisions of the law, those seniors will be deprived any of the benefits. If the law is left as-is, there is a good chance that lawsuits will be filed, which could lead to a court nullifying the existing law.

Testifying in person for the bill were Representative Hausman; St. Charles County; Phil Rogers, Missouri Association of Counties SB 190 Task Force; Daniel Franks, Missouri Association of Counties SB 190 Task Force.

OPPOSERS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.