

SECOND REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NOS. 2306, 2276 & 2089

## 103RD GENERAL ASSEMBLY

4430H.02C

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to property tax exemptions for certain veterans.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 137, RSMo, is amended by adding thereto one new section, to be  
2 known as section 137.109, to read as follows:

**137.109. 1. This section shall be known and may be cited as the "Missouri  
2 Disabled Veterans Homestead Exemption".**

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

**4 (1) "Commission", the state tax commission;**

**5 (2) "Disability rating", the percentage of disability assigned to a disabled  
6 veteran by the United States Department of Veterans Affairs, reflecting the degree to  
7 which the veteran's disability impacts his or her ability to work and perform daily  
8 activities;**

**9 (3) "Disabled veteran", a Missouri resident who has served on active duty or  
10 state active duty as a member of the Armed Forces of the United States, a member of the  
11 Missouri National Guard, or a member of the United States Reserve Forces and who has  
12 received an honorable discharge; has a service-connected disability and has received a  
13 disability rating as certified by the United States Department of Veterans Affairs; and is  
14 an owner of record and liable for the payment of property taxes on the qualified  
15 residence for which the exemption allowed under this section is claimed;**

**16 (4) "Homestead", the real property located within the state of Missouri that is  
17 actually owned and occupied by an individual as his or her primary residence and not to**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 exceed five acres of land surrounding it as is reasonably necessary for use of the  
19 dwelling as a home;

20 (5) "Qualified residence", real property used as a homestead by a disabled  
21 veteran or surviving spouse, but less any portion of such property that is used for  
22 commercial purposes. If the property, or a portion of the property, is rented out to  
23 another person for more than six months it is presumed to be used for commercial  
24 purposes. No more than one property per claimant per tax year shall be claimed as a  
25 qualified residence under this section.

26 3. In addition to all other exemptions authorized under Article X, Section 6 of  
27 the Constitution of Missouri or otherwise authorized by law, and as authorized under  
28 Article X, Section 6(a) of the Constitution of Missouri, for all tax years beginning on or  
29 after January 1, 2027, an annual exemption is granted from the fair market value for  
30 the purposes of calculating the assessed value and tax liability of a disabled veteran's  
31 qualified residence, limited to the amounts set forth as follows:

32 (1) For disabled veterans with a disability rating of fifty percent or more but less  
33 than seventy percent, the annual exemption up to the first one hundred fifty thousand  
34 dollars of fair market value;

35 (2) For disabled veterans with a disability rating of seventy percent or more but  
36 less than one hundred percent, the annual exemption up to the first two hundred fifty  
37 thousand dollars of fair market value; and

38 (3) For disabled veterans with a disability rating of one hundred percent, the  
39 annual exemption up to the first five hundred thousand dollars of fair market value.

40 4. The exemption under this section carries over to the benefit of the disabled  
41 veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the  
42 qualified residence and permanently resides therein. The exemption for a surviving  
43 spouse shall remain proportional to the disabled veteran's disability rating as of the time  
44 of the veteran's passing.

45 5. If an exemption is granted under this section and the person awarded the  
46 exemption subsequently becomes a resident of a facility licensed under chapter 198, a  
47 Missouri veterans' home as defined under section 42.002, or a facility operated by the  
48 United States Department of Veterans Affairs, the exemption shall continue:

49 (1) If the residence continues to be occupied by the disabled veteran's spouse; or

50 (2) If the residence remains unoccupied but is still owned by the disabled veteran  
51 who qualifies for the exemption.

52 6. The exemption and determination of eligibility under this section applies for  
53 tax years beginning on or after January 1, 2027. The claim for an exemption shall not  
54 be transferred or assigned, except as provided for under this section.

55           **7. In order to verify eligibility for the exemption allowed under this section, no**  
56 **later than April first of each tax year for which an exemption is claimed, a disabled**  
57 **veteran or surviving spouse shall:**

58           **(1) Submit an application on a form provided by the county or city not within a**  
59 **county to the local assessor's or collector's office or other entity as directed by local rule**  
60 **or ordinance;**

61           **(2) Include documentation that verifies proof of the disability rating, including**  
62 **official documentation from the United States Department of Veterans Affairs;**

63           **(3) Include proof of ownership and occupation of the qualified residence; and**

64           **(4) Any additional forms, documents, or other items required by the local**  
65 **authority for verification of eligibility for a disabled veteran or, if applicable, additional**  
66 **items to verify an individual's eligibility and status as a surviving spouse.**

67           **8. The collector's office, assessor's office, or other entity designated by rule or**  
68 **ordinance shall review applications and determine eligibility of the residential property**  
69 **based on the criteria set forth under this section and by the application, visual**  
70 **inspection, questionnaire, or other reasonable methods. The determination shall be**  
71 **made in accordance with guidelines established by the commission and any additional**  
72 **local rules or regulations.**

73           **9. The governing body of the county or city not within a county may adopt**  
74 **reasonable procedures and promulgate ordinances, rules, and regulations in order to**  
75 **implement and administer the provisions of this section and comply with any additional**  
76 **requirements or regulations promulgated by the commission.**

77           **10. The exemption granted under this section shall not affect the process of**  
78 **setting the tax rate as required under Article X, Section 22 of the Constitution of**  
79 **Missouri and section 137.073 in any prior, current, or subsequent tax year.**

80           **11. The commission may promulgate all necessary rules and regulations for the**  
81 **administration of this section. Any rule or portion of a rule, as that term is defined in**  
82 **section 536.010, that is created under the authority delegated in this section shall**  
83 **become effective only if it complies with and is subject to all of the provisions of chapter**  
84 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**  
85 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**  
86 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**  
87 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
88 **adopted after August 28, 2026, shall be invalid and void.**

89           **12. No rule promulgated by the commission shall in any way adversely impact,**  
90 **interrupt, or interfere with the performance of the required statutory duties of any**  
91 **county elected official including, but not limited to, the county collector, when**

92 **performing such duties as deemed necessary for the purposes of this section and the**  
93 **distribution of all other real and personal property taxes.**

94 **13. This section shall not be subject to the provisions of the Missouri sunset act**  
95 **under sections 23.250 to 23.298.**

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