

SECOND REGULAR SESSION

# HOUSE BILL NO. 2869

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE JONES (12).

6021H.02I

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to a local real property tax credit for certain disabled 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 known as section 137.1052, to read as follows:

**137.1052. 1. This section shall be known and may be cited as the "Missouri Disabled Veteran Homestead Tax Credit Act".**

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

**(1) "County", any county or city not within a county in this state;**

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

**(3) "Disabled veteran", a Missouri resident who has been separated under honorable conditions from active service in any branch or reserve component of the Armed Forces of the United States or the National Guard of a state as defined in 32 U.S.C. Section 101, as amended, and has a service-connected disability and has received a disability rating of one hundred percent permanent and total as certified by the United States Department of Veterans Affairs;**

**(4) "Eligible owner", an individual who is a disabled veteran, is the owner of record of the qualified residence or has a legal or equitable interest in a qualified**

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.

17 residence as evidenced by a written instrument, and is liable for the payment of real  
18 property taxes on the qualified residence;

19 (5) "Homestead", the residential real property that is used as a primary  
20 residence and the adjacent real property as is reasonably necessary for use of the  
21 residence as a home dwelling;

22 (6) "Primary residence", the real property owned and occupied by an eligible  
23 owner as the principal place of residence, and not to exceed five acres of land  
24 surrounding it as is reasonably necessary for use of the dwelling as a home;

25 (7) "Qualified amount", for any eligible owner in a given tax year, the total  
26 amount of real property taxes levied and imposed on the qualified residence and shall  
27 include all ad valorem taxes levied on the qualified residence by any county or other  
28 political subdivision including, but not limited to, county levies, municipal levies, school  
29 district levies including bonded indebtedness levies, fire protection district levies, library  
30 district levies, and any other local ad valorem levy authorized by law, but shall exclude  
31 the levy imposed for the state blind pension fund;

32 (8) "Qualified residence", the homestead of an eligible owner that has a market  
33 value not to exceed five hundred thousand dollars, but less any portion of that property  
34 that is used for commercial purposes. If the property, or a portion of the property, is  
35 rented out to another person for more than six months, it is presumed to be used for  
36 commercial purposes. No more than one property per qualified owner per tax year  
37 shall be claimed as a qualified residence under this section;

38 (9) "Real property tax credit", a credit against an eligible owner's liability for  
39 tax on the qualified residence that is levied and imposed by the governing body of a  
40 county or other political subdivision of this state with the power to levy and impose taxes  
41 on real property in this state.

42 3. (1) As allowed by the authority granted under Article X, Section 6(a) of the  
43 Constitution of Missouri, for all tax years beginning on or after January 1, 2027, a  
44 county may grant an annual real property tax credit, as calculated in this subsection, for  
45 the qualified residence of an eligible owner if such county adopts an order, ordinance, or  
46 resolution authorizing such real property tax credit in such county.

47 (2) The qualified amount of a real property tax credit provided under this  
48 section shall be equal to the percentage of the tax credit as adopted by the county under  
49 this section.

50 (3) A county may grant a tax credit under this section for any percentage of the  
51 qualified amount that does not exceed one hundred percent of the eligible owner's  
52 liability for tax on the qualified residence under this section. Such percentage shall be  
53 stated in any vote taken by the governing body of the county under subsection 8 of this

54 section. Before January first of any year, the governing body of such county may, by  
55 ordinance, adjust the percentage of the tax credit for the next year of general  
56 reassessment.

57 (4) If the total market value of the dwelling and surrounding acreage does not  
58 exceed five hundred thousand dollars, ownership of additional acreage shall not  
59 disqualify an owner from eligibility under the provisions of this section.

60 4. The real property tax credit under this section carries over to the benefit of  
61 the eligible owner's surviving spouse as long as the spouse holds the legal or beneficial  
62 title to the qualified residence, permanently resides therein, and does not remarry. No  
63 real property tax credit shall be allowed for the tax year in which the surviving spouse  
64 remarries, no longer holds legal or beneficial title, or relocates to a different primary  
65 residence.

66 5. Real property tax credits issued under the provisions of this section shall not  
67 be refundable. No real property tax credit claimed under this section shall be carried  
68 forward to any subsequent tax year. The real property tax credit allowed under this  
69 section shall not be transferred, assigned, sold, or otherwise conveyed, except as  
70 provided under this section.

71 6. Real property tax credits authorized under the provisions of this section shall  
72 not reduce assessed valuation and shall not be construed as an exemption from real  
73 property taxes. The security for any bonded indebtedness based on assessed valuation  
74 shall remain intact.

75 7. An eligible owner who receives a real property tax credit granted under this  
76 section shall not be eligible for any other real property tax relief, the property tax  
77 credits under sections 135.010 to 135.035, or any other tax credits relating to the eligible  
78 owner's qualified residence under this chapter or chapter 135.

79 8. Participation in the program under this section is optional as follows:

80 (1) Any county may, by a majority affirmative vote of the governing body of  
81 such county, opt in to the provisions of this section for the next year of the general  
82 reassessment, prior to January first of any year;

83 (2) If the county opts in to the provisions of this section, participation in this  
84 program for an eligible owner is also optional. An eligible owner electing to participate  
85 in the provisions under this section may opt in by notifying the local collector's office or  
86 other entity of such election to request a real property tax credit; and

87 (3) The governing body of the county may, by a majority affirmative vote, opt to  
88 rescind and cease the real property tax credit program authorized under this section  
89 and previously adopted by the governing body, for the next year of the general

90 reassessment, prior to January first of any year. Any rescission shall be prospective only  
91 and shall affect real property tax credits previously applied.

92       9. The governing body of the county may adopt reasonable procedures and  
93 promulgate ordinances, rules, and regulations in order to implement and administer the  
94 provisions of this section.

95       10. The assessor's office, collector's office, or other entity designated by rule,  
96 regulation, or ordinance shall administer the real property tax credit allowed under this  
97 section in the same manner as the tax credit authorized under section 137.1050 and shall  
98 be subject to similar application, verification, and renewal procedures as adopted by  
99 such county, if applicable. Eligibility determinations shall be made in accordance with  
100 guidelines established by this section and any additional local rules or regulations.

101       11. For the purposes of calculating property tax levies under section 137.073, and  
102 for all other laws prescribing the distribution or allocation of property tax revenues, the  
103 total amount of real property tax credits authorized under this section shall be  
104 considered tax revenue actually received by the county or other political subdivision.

105       12. A real property tax credit granted under this section shall not affect the  
106 process of setting the tax rate as required under Article X, Section 22 of the Constitution  
107 of Missouri and section 137.073 in any prior, current, or subsequent tax year.

108       13. Nothing in this section shall impair the obligation of any contract, reduce or  
109 restrict the taxing authority of any political subdivision, or alter the calculation of  
110 assessed valuation for the purposes of bonded indebtedness.

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