

SECOND REGULAR SESSION

HOUSE BILL NO. 1367

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LEMBKE (Sponsor), SCHNEIDER, PORTWOOD, DUSENBERG, DEMPSEY, BIVINS, TOWNLEY, DIXON, LIPKE, ERVIN, LeVOTA, GREEN, REINHART, ICET, COOPER (120), THRELKELD, NIEVES, CUNNINGHAM (86), KELLY (144), BAKER, DETHROW, BISHOP, RECTOR, EMERY, PHILLIPS, WOOD, CUNNINGHAM (145), ANGST, RICHARD, WRIGHT, CROWELL, JETTON, HUNTER, PEARCE, PARKER, BYRD, JACKSON, RUPP, HOBBS, MAY, SCHAAF, BEARDEN, ROARK, BEAN, BROWN, RUESTMAN, WILSON (119), STEVENSON, MOORE, MARSH, GOODMAN, ENGLER, DOUGHERTY, HUBBARD, SMITH (14), STEFANICK, COOPER (155), PURGASON, VOGT, YAEGER, BRUNS, JOHNSON (47), WILLOUGHBY, HANAWAY, MUNZLINGER, PRATT, YATES, KINGERY, LAGER, DARROUGH, QUINN, YOUNG, SCHLOTTACH, WARD AND CARNAHAN (Co-sponsors).

Read 1st time February 3, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4176L.011

AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to a homestead exemption for the elderly.

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 137.106, to read as follows:

137.106. 1. This section may be known and may be cited as "The Missouri Homestead Preservation Act".

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

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

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

(3) "Eligible owner", any individual owner of property who is sixty-five years old or older as of January first of the taxable year in which the individual applies for a homestead exemption under this section, and who has an income equal to or less than the maximum upper limit; in the case of a married couple owning property either jointly or as tenants by the entirety, or where only one spouse owns the property, such couple shall be considered an eligible taxpayer if either spouse has reached the age of sixty-five or if one spouse is disabled, and the combined income of the couple does not exceed the maximum

13 upper limit; no individual shall be an eligible owner if the individual has not paid their
14 property tax liability, if any, in full by the payment due date in any of the three prior
15 taxable years, except that a late payment of a property tax liability in any prior year, not
16 including the immediate prior year, shall not disqualify a potential eligible owner if such
17 owner paid in full the tax liability and any and all penalties, additions and interest that
18 arose as a result of such late payment; no individual shall be an eligible owner if such
19 person qualifies for the senior citizen property tax relief credit pursuant to sections 135.010
20 to 135.035, RSMo;

21 (4) "Homestead", the primary residence in Missouri owned and occupied by the
22 applicant and not to exceed five acres of land surrounding it as is reasonably necessary for
23 use of the dwelling as a home;

24 (5) "Homestead exemption amount", the difference, if a positive amount, between
25 the property tax otherwise owed on real property actually occupied by the owner or
26 owners thereof as a homestead and exempted from property tax under this section in the
27 year the taxpayer applies for the exemption and the property tax owed in the previous
28 year, less the greater of five percent or the percentage increase in the consumer price index
29 for the United States or its successor index, as defined and officially recorded by the United
30 States Department of Labor or its successor agency;

31 (6) "Maximum upper limit", in the calendar year 2005, the Missouri adjusted gross
32 income sum of one hundred thousand dollars; in each successive calendar year this amount
33 shall be raised by the incremental increase in the general price level, as defined pursuant
34 to article X, section 17 of the Missouri Constitution;

35 (7) "Losing revenue" or "lost revenues", a decrease in the revenues from taxes
36 owed on real property subclassified as residential property in section 4(b), article X,
37 Constitution of Missouri, per political subdivision, when compared to the revenues from
38 the taxes owed on such real property in the immediately preceding year.

39 3. Pursuant to section 6(a), article X, Constitution of Missouri, eligible owners of
40 property shall be allowed a homestead exemption under this section on their property taxes
41 otherwise owed. The exemption shall be an amount equal to the homestead exemption
42 amount. The amount of the exemption shall be listed separately on each taxpayer's tax bill
43 for the current taxable year, or on a document inclosed with the taxpayer's bill. The
44 homestead exemption shall not affect the process of setting the tax rate as required
45 pursuant to article X, section 22 of the Constitution of Missouri and section 137.073 in any
46 prior, current, or subsequent taxable year.

47 4. Any potential eligible owner may apply for the homestead exemption by
48 completing an application through their local assessor's office. Applications may be

49 completed between the date the property tax is levied and the date the property tax is due
50 in any taxable year in order for the taxpayer to be eligible for the homestead exemption
51 amount. The application shall be on forms provided to the assessor's office by the
52 department. The applicant shall include:

53 (1) The applicant's age;

54 (2) The applicant's prior year Missouri adjusted gross income;

55 (3) The address of the homestead property;

56 (4) Copies of receipts indicating payment of property tax by the applicant for the
57 homestead property for the two prior taxable years;

58 (5) A disclosure of any improvements made to the homestead that totaled more
59 than five thousand dollars in any taxable year.

60 Applicants shall attest that the information provided on the application is complete and
61 accurate; and

62 (6) A fifteen dollar application fee.

63 5. The assessor, upon receiving an application, shall:

64 (1) Certify the actual homestead, including verification of the acreage classified as
65 residential on the assessor's property record card;

66 (2) Obtain appropriate levy codes for each homestead from the county collector;

67 (3) Record on the application the tax liability on the homestead for the prior and
68 current taxable years, adjusted to exclude any improvements in the current taxable year;
69 and

70 (4) Send all applications to the collector by October thirty-first of each year.

71 6. Upon receipt of the applications, the collector shall verify the applicant's
72 Missouri adjusted gross income, the age, and the payment status of property taxes owed
73 in the previous year and make adjustments to these numbers as necessary on the
74 applications. Once age, income, and property tax status is verified, the collector shall
75 adjust the property tax owed in accordance with the homestead exemption amount.

76 7. The general assembly shall appropriate moneys from the general revenue fund
77 so that any political subdivision losing revenue during the time an owner of real property
78 received a homestead exemption under this section shall receive proportional restitution,
79 based on the ratio the tax levy of each subdivision bears to the total tax levy between the
80 time the exemption was granted under this section and the owner of the real property is
81 no longer eligible for the homestead exemption.

82 8. Ten dollars of the application fee collected under this section shall be deposited
83 to the credit of the assessment fund of the political subdivision collecting the fee as created
84 under section 137.750, and the remaining five dollars shall be deposited to the credit of the

85 county collector's fund, or the equivalent county fund, of the county in which the
86 homestead is located.

87 **9. Determination of eligibility for the homestead exemption provided in this section**
88 **regarding both the status of the owner and the status of property shall be based on the**
89 **status of the owner and the property as of January first of each year; any income limits**
90 **shall be based on the tax year prior to the year in which the exemption is applied.**

91 **10. The department shall promulgate rules for implementation of this section. Any**
92 **rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created**
93 **under the authority delegated in this section shall become effective only if it complies with**
94 **and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section**
95 **536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the**
96 **powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to**
97 **delay the effective date, or to disapprove and annul a rule are subsequently held**
98 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
99 **after August 28, 2004, shall be invalid and void.**

100 **11. This section shall become effective January 1, 2005, and shall apply to all**
101 **taxable years beginning on or after January 1, 2005.**