

SECOND REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 1930

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HUBBARD (Sponsor),
EL-AMIN, VILLA AND STORCH (Co-sponsors).

Read 1st time March 2, 2006 and copies ordered printed.

Read 2nd time March 6, 2006 and referred to the Committee on Ways & Means March 29, 2006.

Rereferred to the Special Committee on Urban Issues March 30, 2006.

Reported from the Special Committee on Urban Issues April 11, 2006 with recommendation that House Bill 1930 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules April 20, 2006 with recommendation that the bill Do Pass with a no time limit for debate.

Taken up for Perfection May 3, 2006. Bill ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

5038L.01P

AN ACT

To repeal sections 92.715, 140.100, and 141.830, RSMo, and to enact in lieu thereof four new sections relating to collection of delinquent taxes.

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

Section A. Sections 92.715, 140.100, and 141.830, RSMo, are repealed and four new
2 sections enacted in lieu thereof, to be known as sections 92.715, 135.097, 140.100, and 141.830,
3 to read as follows:

92.715. 1. The collectors of cities operating under the provisions of sections 92.700 to
2 92.920 shall proceed to collect the taxes contained in the back tax book or [record] **recorded** list
3 of the delinquent land and lots in the collector's office as herein required.

4 2. Any person interested in or the owner of any tract of land or lot contained in the back
5 tax book or in the recorded list of delinquent lands and lots in the collector's office may redeem
6 such tract of land or town lot, or any part thereof, from the state's or such city's lien thereon, by

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.

7 paying to the proper collector the amount of the original taxes, together with interest from the
8 date of delinquency at the rate of [one] **two** percent per month with a maximum rate of [ten]
9 **eighteen** percent per annum and the costs. **Notwithstanding the foregoing, any individual**
10 **taxpayer whose income is at or below one hundred eighty-five percent of the Federal**
11 **poverty guidelines or sixty years of age or older shall only be assessed interest from the**
12 **date of delinquency at the rate of one percent per month, with a maximum rate of ten**
13 **percent per annum. The collector of revenue shall have the authority to request any**
14 **necessary documentation. The collector of revenue shall separately account for any**
15 **amounts of interest and penalties collected where such amounts are in excess of one percent**
16 **per month and ten percent per annum with respect to a particular property and shall**
17 **deposit such excess amounts with the city treasurer, to be held in a separate account.**
18 **Funds in such account shall be used solely for purposes of lead hazard remediation,**
19 **abatement and/or removal in buildings and structures owned and operated by the board**
20 **of education of a metropolitan district where educational activities involving children are**
21 **conducted, and in any buildings and structures in which recreational activities for children**
22 **are conducted, until all such lead hazard abatement, remediated, or removed. Thereafter,**
23 **funds in such account shall be used solely for purposed of lead hazard abatement,**
24 **remediation, and/or removal in other buildings and structures located in any city not**
25 **within a county. Upon appropriation, the building commissioner of the any city not within**
26 **a county shall be authorized to draw funds from such account for such purposes and shall**
27 **cooperate with the board of education of a metropolitan district to use such funds**
28 **effectively and efficiently for the purposes set forth herein.** [For any delinquency occurring
29 after January 1, 2000, the rate shall not exceed the prime rate, which shall mean the average
30 predominant prime rate quoted by commercial banks to large businesses, as determined by the
31 board of governors of the Federal Reserve System.]

32 3. If suit shall have been commenced against any tract of land or town lot for the
33 collection of taxes, the person desiring to redeem any such land before judgment, in addition to
34 the original tax, interest and costs including attorney's fee accruing under this law, shall pay to
35 the city collector all necessary costs incurred in the court where the suit is pending, and the city
36 collector shall account to the clerk of the court in which said suit is filed for the court costs so
37 collected.

38 4. The provisions of the law with reference to the compromise of taxes shown on the
39 back tax book or recorded list of delinquent land and lots in the collector's office shall apply to
40 and shall also authorize the compromise of any judgment for taxes after the same had been
41 rendered therefor and up to that time when the property shall be sold under execution issued on
42 said judgment; such compromise to be authorized by the same officials and under the same

43 conditions as set forth under existing law for the compromise of taxes. The comptroller of any
44 city operating under the provisions of sections 92.700 to 92.920 shall serve in lieu of the county
45 commission. The comptroller shall also have the right to correct manifest errors.

135.097. 1. For purposes of this section, the following terms shall mean:

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

6 (2) "Eligible taxpayer", a Missouri resident claiming a credit under this section.
7 If the persons are eligible to file a joint federal income tax return and reside at the same
8 address at any time during the taxable year, then the credit may only be allowed if claimed
9 on a combined Missouri income tax return reporting their combined incomes and property
10 taxes. A taxpayer shall not be allowed a tax credit unless the taxpayer or spouse has
11 attained the age of sixty-five on or before the last day of the calendar year or the taxpayer
12 or spouse is a veteran of any branch of the armed forces of the United States or this state
13 who became one hundred percent disabled as a result of such service, or the taxpayer or
14 spouse is disabled as defined in subdivision (1) of this subsection, and such taxpayer or
15 spouse provides proof of such disability in such form and manner, and at such times, as the
16 director of revenue may require, has been a resident of Missouri for twenty years, and has
17 lived in their homestead for at least twenty years. The residency requirement shall be
18 deemed to have been fulfilled for the purpose of determining the eligibility of a taxpayer
19 or spouse who would have otherwise met the requirements for a tax credit but who dies
20 before the last day of the calendar year;

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

30 (4) "Income", Missouri adjusted gross income as defined in section 143.121, RSMo,
31 and increased, where necessary, to reflect the following:

- 32 (a) Social Security, railroad retirement, and veterans payments and benefits;
33 (b) The total amount of all other public and private pensions and annuities;

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

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

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

39 (5) "Property taxes accrued", property taxes paid, exclusive of special assessments,
40 penalties, interest, and charges for service levied on an eligible taxpayer's homestead in any
41 calendar year. Property taxes shall qualify for the credit only if actually paid prior to the
42 date a return is filed. The director of revenue shall require a tax receipt or other proof of
43 property tax payment. If a homestead is owned only partially by an eligible taxpayer, then
44 "property taxes accrued" is that part of property taxes levied on the homestead which was
45 actually paid by the eligible taxpayer. For purposes of this subdivision, property taxes are
46 "levied" when the tax roll is delivered to the director of revenue for collection. If a
47 homestead is an integral part of a larger unit such as a farm, or multipurpose or
48 multidwelling building, property taxes accrued shall be that percentage of the total
49 property taxes accrued as the value of the homestead is of the total value. For purposes of
50 this subdivision "unit" refers to the parcel of property covered by a single tax statement
51 of which the homestead is a part.

52 2. For all taxable years beginning on or after January 1, 2007, an eligible taxpayer
53 who is sixty-five years of age or older, or who is disabled, and who has lived in their
54 homestead for at least twenty years, and has paid more than ten percent of his or her total
55 household income in real property tax on his or her homestead, shall receive a credit in an
56 amount equal to fifty percent of his or her property taxes paid for such homestead. An
57 eligible taxpayer shall not be allowed to claim the tax credit for the year that the homestead
58 is sold.

59 3. The tax credit allowed by this section shall be claimed by such individual at the
60 time such individual files a return and shall be applied against the income tax liability
61 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
62 143.265, RSMo, after all other credits provided by law have been applied. If the amount
63 of the tax credit exceeds the tax liability, the difference shall be refunded to the taxpayer.

64 4. An eligible taxpayer shall not be allowed to claim such credit if the taxpayer filed
65 a valid claim under sections 135.010 to 135.030, RSMo, or section 137.106, RSMo, for the
66 same tax year.

67 5. The director of the department of revenue shall promulgate rules and regulations
68 to administer the provisions of this section. Any rule or portion of a rule, as that term is
69 defined in section 536.010, RSMo, that is created under the authority delegated in this

70 section shall become effective only if it complies with and is subject to all of the provisions
71 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
72 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
73 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
74 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
75 authority and any rule proposed or adopted after August 28, 2006, shall be invalid and
76 void.

77 **6. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

78 **(1) The provisions of the new program authorized under this section shall**
79 **automatically sunset six years after the effective date of this section unless reauthorized by**
80 **an act of the general assembly; and**

81 **(2) If such program is reauthorized, the program authorized under this section**
82 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
83 **section; and**

84 **(3) This section shall terminate on September first of the calendar year immediately**
85 **following the calendar year in which the program authorized under this section is sunset.**

140.100. 1. Each tract of land in the back tax book, in addition to the amount of tax
2 delinquent, shall be charged with a penalty of eighteen percent of each year's delinquency except
3 that the penalty on lands redeemed prior to sale shall not exceed two percent per month or
4 fractional part thereof. [In any city not within a county which elects to operate under the
5 provisions of this chapter pursuant to section 141.970, RSMo, the maximum penalty on any
6 delinquency occurring after January 1, 2000, shall not exceed the prime rate, which shall mean
7 the average predominant prime rate quoted by commercial banks to large businesses, as
8 determined by the Board of Governors of the Federal Reserve System.]

9 2. For making and recording the delinquent land lists, the collector and the clerk shall
10 receive ten cents per tract or lot and the clerk shall receive five cents per tract or lot for
11 comparing and authenticating such list.

141.830. 1. The collectors of such cities not within a county shall proceed to collect the
2 taxes contained in the back tax book or recorded list of the delinquent land and lots in the
3 collector's office as herein required.

4 2. Any person interested in or the owner of any tract of land or lot contained in the back
5 tax book or in the recorded list of delinquent lands and lots in the collector's office may redeem
6 such tract of land or town lot, or any part thereof, from the state's or such city's lien thereon, by
7 paying to the proper collector the amount of the original taxes, together with interest from the
8 date of delinquency at the rate of ten percent per annum and the costs until January 1, 1983, and
9 beginning on January 1, 1983, at the rate of eighteen percent per annum and the costs. [For any

10 delinquency occurring after January 1, 2000, the rate shall not exceed the prime rate, which shall
11 mean the average predominant prime rate quoted by commercial banks to large businesses, as
12 determined by the Board of Governors of the Federal Reserve System.]

13 3. If suit shall have been commenced against any person owing taxes on any tract of land
14 or town lot for the collection of taxes, the person desiring to redeem any such land before
15 judgment, in addition to the original tax, interest and costs including attorney's fee accruing
16 under this law, shall pay to the city collector all necessary costs incurred in the court where the
17 suit is pending, and the city collector shall account to the clerk of the court in which such suit
18 is filed for the court costs so collected.

✓