

HB 1930 -- PROPERTY TAXES (Hubbard)

COMMITTEE OF ORIGIN: Special Committee on Urban Issues

This bill changes the minimum rate of interest that can be charged on delinquent real property taxes in the City of St. Louis from 1% to 2% per month and the maximum rate from 10% to 18% per year. The prime rate limitation is also removed. A taxpayer whose income is below 185% of the federal poverty level or who is 65 years of age or older will only be assessed interest from the date of delinquency at the rate of 1% with a maximum rate of 10% per year. Funds in excess of 1% per month and 10% per year will be deposited with the city treasurer and used solely for lead hazard remediation, abatement, and/or removal in buildings and structures owned and operated by the board of education of a metropolitan school district until all lead hazard abatement is completed. Thereafter, the funds will be used for lead abatement, remediation, and/or removal in other buildings located in the City of St. Louis.

Beginning January 1, 2007, a 50% tax credit is authorized for the elderly or disabled who have lived in their home for at least 20 years and who have spent at least 10% of their household income on real property taxes. The tax credit is refundable; and taxpayers will not be able to claim this credit if they filed a valid claim for the same tax year.

The provisions of the bill will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$262,299 in FY 2007, \$255,573 to Unknown in FY 2008, and \$261,978 to Unknown in FY 2009. Estimated Income on Other State Funds of Unknown in FY 2007, FY 2008, and FY 2009.