

House _____ Amendment NO. _____

Offered By

1 AMEND House Bill No. 1710, Page 2, Section 53.010, Line 24, by inserting after said section the
2 following:

3
4 "137.106. 1. This section shall be known and may be cited as the "Missouri Homestead
5 Preservation Act".

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

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

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

9 (3) "Disabled", as such term is defined in section 135.010;

10 (4) "Eligible owner", any individual owner of property who is sixty-five years old or older
11 as of January first of the tax year in which the individual is claiming the credit or who is disabled,
12 and who had an income of equal to or less than the maximum upper limit in the year prior to
13 completing an application pursuant to this section; or

14 (a) In the case of a married couple owning property either jointly or as tenants by the
15 entirety, or where only one spouse owns the property, such couple shall be considered an eligible
16 taxpayer if both spouses have reached the age of sixty-five or if one spouse is disabled, or if one
17 spouse is at least sixty-five years old and the other spouse is at least sixty years old, and the
18 combined income of the couple in the year prior to completing an application pursuant to this
19 section did not exceed the maximum upper limit; or

20 (b) In the case of joint ownership by unmarried persons or ownership by tenancy in common
21 by two or more unmarried persons, such owners shall be considered an eligible owner if each person
22 with an ownership interest individually satisfies the eligibility requirements for an individual
23 eligible owner under this section and the combined income of all individuals with an interest in the
24 property is equal to or less than the maximum upper limit in the year prior to completing an
25 application under this section. If any individual with an ownership interest in the property fails to
26 satisfy the eligibility requirements of an individual eligible owner or if the combined income of all
27 individuals with interest in the property exceeds the maximum upper limit, then all individuals with
28 an ownership interest in such property shall be deemed ineligible owners regardless of such other
29 individual's ability to individually meet the eligibility requirements; or

30 (c) In the case of property held in trust, the eligible owner and recipient of the tax credit
31 shall be the trust itself provided the previous owner of the homestead or the previous owner's
32 spouse: is the settlor of the trust with respect to the homestead; currently resides in such homestead;
33 and but for the transfer of such property would have satisfied the age, ownership, and maximum
34 upper limit requirements for income as defined in this subsection.

35 No individual shall be an eligible owner if the individual has not paid the individual's property tax
36 liability, if any, in full by the payment due date in any of the three prior tax years, except that a late

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1 payment of a property tax liability in any prior year shall not disqualify a potential eligible owner if
 2 such owner paid in full the tax liability and any and all penalties, additions and interest that arose as
 3 a result of such late payment; no individual shall be an eligible owner if such person filed a valid
 4 claim for the senior citizens property tax relief credit pursuant to sections 135.010 to 135.035;

5 (5) "Homestead", as such term is defined pursuant to section 135.010, except as limited by
 6 provisions of this section to the contrary. No property shall be considered a homestead if such
 7 property was improved since the most recent annual assessment by more than five percent of the
 8 prior year appraised value, except where an eligible owner of the property has made such
 9 improvements to accommodate a disabled person;

10 (6) "Homestead exemption limit", a percentage increase, rounded to the nearest hundredth
 11 of a percent, which shall be equal to the percentage increase to tax liability, not including
 12 improvements, of a homestead from one tax year to the next that exceeds a certain percentage set
 13 pursuant to subsection 7 of this section;

14 (7) "Income", federal adjusted gross income, and in the case of ownership of the homestead
 15 by trust, the income of the settlor applicant shall be imputed to the income of the trust for purposes
 16 of determining eligibility with regards to the maximum upper limit;

17 (8) "Maximum upper limit", in the calendar year 2021, the income sum of ninety thousand
 18 dollars; in each successive calendar year this amount shall be raised by the incremental increase in
 19 the general price level, as defined pursuant to Article X, Section 17 of the Missouri Constitution.

20 3. Pursuant to Article X, Section 6(a) of the Constitution of Missouri, if in the prior tax year,
 21 the property tax liability on any parcel of subclass (1) real property increased by more than the
 22 homestead exemption limit, without regard for any prior credit received due to the provisions of this
 23 section, then any eligible owner of the property shall receive a homestead exemption credit to be
 24 applied in the current tax year property tax liability to offset the prior year increase to tax liability
 25 that exceeds the homestead exemption limit, except as eligibility for the credit is limited by the
 26 provisions of this section. The amount of the credit shall be listed separately on each taxpayer's tax
 27 bill for the current tax year, or on a document enclosed with the taxpayer's bill. The homestead
 28 exemption credit shall not affect the process of setting the tax rate as required pursuant to Article X,
 29 Section 22 of the Constitution of Missouri and section 137.073 in any prior, current, or subsequent
 30 tax year.

31 4. Any potential eligible owner may apply for the homestead exemption credit by
 32 completing an application. Applications may be completed between April first and October
 33 fifteenth of any tax year in order for the taxpayer to be eligible for the homestead exemption credit
 34 in the tax year next following the calendar year in which the homestead exemption credit application
 35 was completed. The application shall be on forms provided by the department. Forms also shall be
 36 made available on the department's internet site and at all permanent branch offices and all full-time,
 37 temporary, or fee offices maintained by the department of revenue. The applicant shall attest under
 38 penalty of perjury:

39 (1) To the applicant's age;

40 (2) That the applicant's prior year income was less than the maximum upper limit;

41 (3) To the address of the homestead property;

42 (4) That any improvements made to the homestead, not made to accommodate a disabled
 43 person, did not total more than five percent of the prior year appraised value.

44 The applicant shall also include with the application copies of receipts indicating payment of
 45 property tax by the applicant for the homestead property for the three prior tax years.

46 5. Each applicant shall send the application to the department by October fifteenth of each
 47 year for the taxpayer to be eligible for the homestead exemption credit in the tax year next following
 48 the calendar year in which the application was completed.

49 6. Upon receipt of the applications, the department shall calculate the tax liability, verify

1 compliance with the maximum income limit, verify the age of the applicants, and make adjustments
2 to these numbers as necessary on the applications. The department also shall disallow any
3 application where the applicant also has filed a valid application for the senior citizens property tax
4 credit under sections 135.010 to 135.035. Once adjusted tax liability, age, and income are verified,
5 the director shall determine eligibility for the credit and provide a list of all verified eligible owners
6 to the county assessors or county clerks in counties with a township form of government by
7 December fifteenth of each year. By January fifteenth, the county assessors shall provide a list to
8 the department of any verified eligible owners who made improvements not for accommodation of a
9 disability to the homestead and the dollar amount of the assessed value of such improvements. If
10 the dollar amount of the assessed value of such improvements totaled more than five percent of the
11 prior year appraised value, such eligible owners shall be disqualified from receiving the credit in the
12 current tax year.

13 7. The director shall calculate the level of appropriation necessary to set the homestead
14 exemption limit at five percent when based on a year of general reassessment or at two and one-half
15 percent when based on a year without general reassessment for the homesteads of all verified
16 eligible owners, and provide such calculation to the speaker of the house of representatives, the
17 president pro tempore of the senate, and the director of the office of budget and planning in the
18 office of administration by January thirty-first of each year.

19 8. If, in any given year, the general assembly makes an appropriation for the funding of the
20 homestead exemption credit that is signed by the governor, then the director shall determine the
21 apportionment percentage by equally apportioning the appropriation among all eligible applicants
22 on a percentage basis. If no appropriation is made by the general assembly during any tax year or
23 no funds are actually distributed pursuant to any appropriation therefor, then no homestead
24 preservation credit shall apply in such year.

25 9. After determining the apportionment percentage, the director shall calculate the credit to
26 be associated with each verified eligible owner's homestead, if any. The director shall send a list of
27 those eligible owners who are to receive the homestead exemption credit, including the amount of
28 each credit, the certified parcel number of the homestead, and the address of the homestead property,
29 to the county collectors or county clerks in counties with a township form of government by August
30 thirty-first. Pursuant to such calculation, the director shall instruct the state treasurer as to how to
31 distribute the appropriation to the county collector's fund of each county where recipients of the
32 homestead exemption credit are located, so as to exactly offset each homestead exemption credit
33 being issued. As a result of the appropriation, in no case shall a political subdivision receive more
34 money than it would have received absent the provisions of this section. Funds, at the direction of
35 the collector of the county or treasurer ex officio collector in counties with a township form of
36 government, shall be deposited in the county collector's fund of a county or may be sent by mail to
37 the collector of a county, or treasurer ex officio collector in counties with a township form of
38 government, not later than October first in any year a homestead exemption credit is appropriated as
39 a result of this section and shall be distributed as moneys in such funds are commonly distributed
40 from other property tax revenues by the collector of the county or the treasurer ex officio collector
41 of the county in counties with a township form of government, so as to exactly offset each
42 homestead exemption credit being issued.

43 10. The department shall promulgate rules for implementation of this section. Any rule or
44 portion of a rule, as that term is defined in section 536.010, that is created under the authority
45 delegated in this section shall become effective only if it complies with and is subject to all of the
46 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
47 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
48 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
49 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after

1 August 28, 2020, shall be invalid and void. Any rule promulgated by the department shall in no
2 way impact, affect, interrupt, or interfere with the performance of the required statutory duties of
3 any county elected official, more particularly including the county collector when performing such
4 duties as deemed necessary for the distribution of any homestead appropriation and the distribution
5 of all other real and personal property taxes.

6 11. In the event that an eligible owner dies or transfers ownership of the property after the
7 homestead exemption limit has been set in any given year, but prior to January first of the year in
8 which the credit would otherwise be applied, the credit shall be void and any corresponding moneys
9 shall lapse to the state to be credited to the general revenue fund. In the event the collector of the
10 county or the treasurer ex officio collector of the county in counties with a township form of
11 government determines prior to issuing the credit that the individual is not an eligible owner because
12 the individual did not pay the prior three years' property tax liability in full, the credit shall be void
13 and any corresponding moneys shall lapse to the state to be credited to the general revenue fund.

14 12. This section shall apply to all tax years beginning on or after January 1, 2021.

15 13. In accordance with the provisions of sections 23.250 to 23.298 and unless otherwise
16 authorized pursuant to section 23.253:

17 (1) The program authorized under the provisions of this section shall automatically sunset
18 six years after the effective date of this section unless reauthorized by an act of the general
19 assembly; and

20 (2) This section shall terminate on September first of the year following the year in which
21 any new program authorized under this section is sunset, and the revisor of statutes shall designate
22 such sections and this section in a revision bill for repeal."; and

23
24 Further amend said bill by amending the title, enacting clause, and intersectional references
25 accordingly.