

HOUSE AMENDMENT NO. ____
TO
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Offered By

AMEND House Amendment No. ____ to House Committee Substitute for Senate Bill No. 365,
Page 1, Line 1, by inserting after, "Bill No. 365," the following:

"Page 2, Section 92.117, Line 21, by inserting after all of said line the following:

"137.107. 1. This section shall be known and may be cited as the "Missouri Homestead
Preservation Act".

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

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

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

(3) "Disabled", the same meaning given to such term under section 135.010;

(4) "Eligible owner":

(a) Any individual owner of property who is sixty-five years of age or older as of January
first of the tax year in which the individual is claiming the credit authorized under this section or
who is disabled, and who had an income of less than or equal to the maximum upper limit in the
year prior to completing an application under this section;

(b) In the case of a married couple owning property either jointly or as tenants by the
entirety, or in the case of a married couple where only one spouse owns the property, such couple
shall be considered an "eligible owner" if both spouses have reached sixty-five years of age, if one
spouse is disabled, or if one spouse is sixty-five years of age or older and the other spouse is sixty
years of age or older, and the combined income of the couple in the year prior to completing an
application under this section did not exceed the maximum upper limit;

(c) In the case of joint ownership by unmarried persons or ownership by tenancy in common
by two or more unmarried persons, such owners shall be considered an "eligible owner" if each
person with an ownership interest individually satisfies the eligibility requirements for an individual
eligible owner under this subdivision and the combined income of all individuals with an interest in
the property is less than or equal to the maximum upper limit in the year immediately prior to
completing an application under this section. If any individual with an ownership interest in the
property fails to satisfy the eligibility requirements of an individual eligible owner or if the
combined income of all individuals with interest in the property exceeds the maximum upper limit,
then no individuals with an ownership interest in such property shall be deemed "eligible owners",
regardless of whether any such individuals could otherwise meet the eligibility requirements; or

(d) In the case of property held in trust, the "eligible owner" and recipient of the tax credit
shall be the trust itself; provided that, the previous owner of the homestead or the previous owner's

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1 spouse:

- 2 a. Is the settlor of the trust with respect to the homestead;
- 3 b. Currently resides in such homestead; and
- 4 c. Would have satisfied the age, ownership, and maximum upper limit requirements for
- 5 income as defined in this subdivision, but for the transfer of such property;

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7 No individual shall be an "eligible owner" if the individual has not paid the individual's property tax
 8 liability, if any, in full by the payment due date in any of the three most recent prior tax years; except
 9 that, a late payment of a property tax liability in any prior tax year shall not disqualify a potential
 10 eligible owner if such individual paid in full the tax liability and any and all penalties, additions, and
 11 interest that arose as a result of such late payment. No individual shall be an "eligible owner" if
 12 such person filed a valid claim for the property tax relief credit under sections 135.010 to 135.035;

13 (5) "Homestead", the same meaning given to such term under section 135.010, except as
 14 otherwise by the provisions of this section. No property shall be considered a "homestead" if such
 15 property has been improved since its most recent annual assessment by more than five percent of its
 16 previously assessed value, except where an eligible owner of the property has made such
 17 improvements to accommodate a disabled person;

18 (6) "Homestead exemption limit", a percentage increase, rounded to the nearest hundredth
 19 of a percent, that is equal to the percentage increase in tax liability, not including improvements, of a
 20 homestead from one tax year to the next, that exceeds a certain percentage set under subsection 7 of
 21 this section. The homestead exemption limit shall be based on the increase in tax liability from two
 22 years prior to the application to the year immediately prior to the application;

23 (7) "Income", federal adjusted gross income; except that, in the case of ownership of the
 24 homestead by a trust, the income of the settlor applicant shall be imputed to the income of the trust
 25 for purposes of determining eligibility with respect to the maximum upper limit;

26 (8) "Maximum upper limit", the income sum of seventy thousand dollars for the 2005
 27 calendar year, increased each successive calendar year by the incremental increase in the general
 28 price level, as defined under Article X, Section 17 of the Constitution of Missouri.

29 3. Under Article X, Section 6(a) of the Constitution of Missouri, if in the most recent prior
 30 tax year the property tax liability on any parcel of subclass (1) real property increased by more than
 31 the homestead exemption limit, without regard for any prior credit received due to the provisions of
 32 this section, then any eligible owner of the property shall receive a homestead exemption credit to
 33 be applied toward the current tax year property tax liability to offset the prior year increase in tax
 34 liability that exceeds the homestead exemption limit, except as eligibility for the credit is limited by
 35 the provisions of this section. The amount of the credit shall be listed separately on each taxpayer's
 36 tax bill for the current tax year, or on a document enclosed with the taxpayer's bill. The homestead
 37 exemption credit shall not affect the process of setting the tax rate as required under Article X,
 38 Section 22 of the Constitution of Missouri and section 137.073 in any prior, current, or subsequent
 39 tax year.

40 4. Any potential eligible owner may apply for the homestead exemption credit by
 41 completing an application. Applications shall be completed no earlier than April first and no later
 42 than October fifteenth of any tax year in order for the taxpayer to be eligible for the homestead
 43 exemption credit in the tax year next following the calendar year in which the homestead exemption
 44 credit application is completed. The application shall be on forms provided by the department.
 45 Forms shall be made available on the department's website and at all permanent branch offices and
 46 all full-time, temporary, and fee offices maintained by the department of revenue. On such
 47 applications, the applicant shall attest under penalty of perjury:

48 (1) To the applicant's age;

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

1 (3) To the address of the homestead property; and
 2 (4) That any improvements made to the homestead, not made to accommodate a disabled
 3 person, did not total more than five percent of the assessed value of the homestead for the most
 4 recent prior tax year.

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 6 The applicant shall also include with the application copies of receipts indicating payment of
 7 property tax by the applicant for the homestead property for the three most recent prior tax years.

8 5. Each applicant shall submit the application to the department no later than October
 9 fifteenth of each year for the taxpayer to be eligible for the homestead exemption credit in the tax
 10 year next following the calendar year in which the application was submitted.

11 6. Upon receipt of the applications, the department shall calculate the tax liability, verify
 12 compliance with the maximum income limit, verify the ages of the applicants, and make
 13 adjustments to these numbers as necessary on the applications. The department shall disallow any
 14 application if the applicant also has filed a valid application for the property tax credit authorized
 15 under sections 135.010 to 135.035. Once adjusted tax liability, age, and income are verified, the
 16 director shall determine eligibility for the credit and provide a list of all verified eligible owners to
 17 the county assessors, or county clerks in counties with a township form of government, no later than
 18 December fifteenth of each year. No later than the following January fifteenth, the county assessors
 19 shall provide a list to the department of any verified eligible owners who made improvements not
 20 for accommodation of a disability to the homestead and the dollar amount of the assessed value of
 21 such improvements. If the dollar amount of the assessed value of such improvements totals more
 22 than five percent of the assessed value from the most recent prior tax year, such eligible owners
 23 shall be disqualified from receiving the credit in the current tax year.

24 7. The director shall calculate the level of appropriation necessary to set the homestead
 25 exemption limit for the homesteads of all verified eligible owners at five percent when based on a
 26 year of general reassessment or at two and one-half percent when based on a year without general
 27 reassessment. The director shall provide such calculation to the speaker of the house of
 28 representatives, the president pro tempore of the senate, and the director of the office of budget and
 29 planning in the office of administration no later than January thirty-first of each year.

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

36 9. After determining the apportionment percentage, the director shall calculate the credit to
 37 be associated with each verified eligible owner's homestead, if any. The director shall send a list of
 38 those eligible owners who are to receive the homestead exemption credit, including the amount of
 39 each credit, the certified parcel number of the homestead, and the address of the homestead property,
 40 to the county collectors, or county clerks in counties with a township form of government, no later
 41 than August thirty-first. Pursuant to such calculation, the director shall instruct the state treasurer to
 42 distribute the appropriation to the county collector's fund of each county where recipients of the
 43 homestead exemption credit are located, in such amounts as would exactly offset each homestead
 44 exemption credit being issued. In no case shall a political subdivision receive, as a result of
 45 appropriations, more moneys than it would have received absent the provisions of this section. At
 46 the direction of the county collector, or treasurer ex officio collector in counties with a township
 47 form of government, funds may be deposited in the county collector's fund or may be sent by mail to
 48 the collector of a county, or treasurer ex officio collector in counties with a township form of
 49 government, no later than October first in any year a homestead exemption credit is appropriated as

a result of this section, and shall be distributed as moneys in such funds are commonly distributed from other property tax revenues by the county collector, or treasurer ex officio collector of the county in counties with a township form of government, in such amounts as would exactly offset each homestead exemption credit being issued.

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

11. The department may promulgate rules and regulations for the implementation and administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void. No rule promulgated by the department shall in any way adversely impact, interrupt, or interfere with the performance of the required statutory duties of any county elected official including, but not limited to, the county collector, when performing such duties as deemed necessary for the distribution of any homestead appropriation and the distribution of all other real and personal property taxes.

12. Under section 23.253 of the Missouri sunset act:

(1) The provisions of this section shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly;

(2) If the provisions of this section are reauthorized, such provisions shall automatically sunset twelve years after the effective date of their reauthorization; and

(3) This section shall terminate on January first of the calendar year immediately following the calendar year in which the provisions of this section are sunset."; and

Further amend said bill"; and

Further amend said amendment, Page 1, Line 11, by inserting after all of said line the following:

Further amend said bill, Page 17, Section B, Line 6, by inserting after all of said section the following:

"Section C. The enactment of section 137.107 of section A of this act shall become effective on January 1, 2022."; and"; and

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

AMENDS 1725H05.06H