

HOUSE

AMENDMENT NO. _____

Offered by

of

1 AMEND House Committee Substitute for House Bill Nos. 1542 & 1101,
2 Page 90, Section 94.705, Line 68, by inserting after all of said
3 line the following:

4 "137.106. 1. This section [may] shall be known and may be
5 cited as "The Missouri Homestead 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
11 is sixty-five years old or older as of January first of the tax
12 year in which the individual is claiming the credit or who is
13 disabled, and who had an income of equal to or less than the
14 maximum upper limit in the year prior to completing an
15 application pursuant to this section; or

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

25 (b) In the case of joint ownership by unmarried persons or
26 ownership by tenancy in common by two or more unmarried persons,
27 such owners shall be considered an eligible owner if each person
28 with an ownership interest individually satisfies the eligibility
29 requirements for an individual eligible owner under this section

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1 and the combined income of all individuals with an interest in
2 the property is equal to or less than the maximum upper limit in
3 the year prior to completing an application under this section.
4 If any individual with an ownership interest in the property
5 fails to satisfy the eligibility requirements of an individual
6 eligible owner or if the combined income of all individuals with
7 interest in the property exceeds the maximum upper limit, then
8 all individuals with an ownership interest in such property shall
9 be deemed ineligible owners regardless of such other individual's
10 ability to individually meet the eligibility requirements; or

11 (c) In the case of property held in trust, the eligible
12 owner and recipient of the tax credit shall be the trust itself
13 provided the previous owner of the homestead or the previous
14 owner's spouse: is the settlor of the trust with respect to the
15 homestead; currently resides in such homestead; and but for the
16 transfer of such property would have satisfied the age,
17 ownership, and maximum upper limit requirements for income as
18 defined in [subdivisions (7) and (8) of] this subsection; No
19 individual shall be an eligible owner if the individual has not
20 paid [their] the individual's property tax liability, if any, in
21 full by the payment due date in any of the three prior tax years,
22 except that a late payment of a property tax liability in any
23 prior year shall not disqualify a potential eligible owner if
24 such owner paid in full the tax liability and any and all
25 penalties, additions and interest that arose as a result of such
26 late payment; no individual shall be an eligible owner if such
27 person filed a valid claim for the senior citizens property tax
28 relief credit pursuant to sections 135.010 to 135.035;

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

36 (6) "Homestead exemption limit", a percentage increase,
37 rounded to the nearest hundredth of a percent, which shall be

1 equal to the percentage increase to tax liability, not including
2 improvements, of a homestead from one tax year to the next that
3 exceeds a certain percentage set pursuant to subsection 10 of
4 this section. [For applications filed in 2005 or 2006, the
5 homestead exemption limit shall be based on the increase to tax
6 liability from 2004 to 2005. For applications filed between
7 April 1, 2005, and September 30, 2006, an eligible owner, who
8 otherwise satisfied the requirements of this section, shall not
9 apply for the homestead exemption credit more than once during
10 such period. For applications filed after 2006, the homestead
11 exemption limit shall be based on the increase to tax liability
12 from two years prior to application to the year immediately prior
13 to application. For applications filed between December 31,
14 2008, and December 31, 2011, the homestead exemption limit shall
15 be based on the increase in tax liability from the base year to
16 the year prior to the application year.] For applications filed
17 on or after January 1, 2012, the homestead exemption limit shall
18 be based on the increase to tax liability from two years prior to
19 application to the year immediately prior to application. For
20 purposes of this subdivision, the term "base year" means the year
21 prior to the first year in which the eligible owner's application
22 was approved, or 2006, whichever is later;

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

28 (8) "Maximum upper limit", in the calendar year 2005, the
29 income sum of seventy thousand dollars; in each successive
30 calendar year this amount shall be raised by the incremental
31 increase in the general price level, as defined pursuant to
32 article X, section 17 of the Missouri Constitution.

33 3. Pursuant to article X, section 6(a) of the Constitution
34 of Missouri, if in the prior tax year, the property tax liability
35 on any parcel of subclass (1) real property increased by more
36 than the homestead exemption limit, without regard for any prior
37 credit received due to the provisions of this section, then any

1 eligible owner of the property shall receive a homestead
2 exemption credit to be applied in the current tax year property
3 tax liability to offset the prior year increase to tax liability
4 that exceeds the homestead exemption limit, except as eligibility
5 for the credit is limited by the provisions of this section. The
6 amount of the credit shall be listed separately on each
7 taxpayer's tax bill for the current tax year, or on a document
8 enclosed with the taxpayer's bill. The homestead exemption
9 credit shall not affect the process of setting the tax rate as
10 required pursuant to article X, section 22 of the Constitution of
11 Missouri and section 137.073 in any prior, current, or subsequent
12 tax year.

13 4. [If application is made in 2005, any potential eligible
14 owner may apply for the homestead exemption credit by completing
15 an application through their local assessor's office.
16 Applications may be completed between April first and September
17 thirtieth of any tax year in order for the taxpayer to be
18 eligible for the homestead exemption credit in the tax year next
19 following the calendar year in which the homestead exemption
20 credit application was completed. The application shall be on
21 forms provided to the assessor's office by the department. Forms
22 also shall be made available on the department's Internet site
23 and at all permanent branch offices and all full-time, temporary,
24 or fee offices maintained by the department of revenue.
25 The applicant shall attest under penalty of perjury:

- 26 (1) To the applicant's age;
27 (2) That the applicant's prior year income was less than
28 the maximum upper limit;
29 (3) To the address of the homestead property; and
30 (4) That any improvements made to the homestead, not made
31 to accommodate a disabled person, did not total more than five
32 percent of the prior year appraised value. The applicant shall
33 also include with the application copies of receipts indicating
34 payment of property tax by the applicant for the homestead
35 property for the two prior tax years.

36 5. If application is made in 2005, the assessor, upon
37 request for an application, shall:

1 (1) Certify the parcel number and owner of record as of
2 January first of the homestead, including verification of the
3 acreage classified as residential on the assessor's property
4 record card;

5 (2) Obtain appropriate prior tax year levy codes for each
6 homestead from the county clerks for inclusion on the form;

7 (3) Record on the application the assessed valuation of the
8 homestead for the current tax year, and any new construction or
9 improvements for the current tax year; and

10 (4) Sign the application, certifying the accuracy of the
11 assessor's entries.

12 6. If application is made after 2005,] Any potential
13 eligible owner may apply for the homestead exemption credit by
14 completing an application. Applications may be completed between
15 April first and October fifteenth of any tax year in order for
16 the taxpayer to be eligible for the homestead exemption credit in
17 the tax year next following the calendar year in which the
18 homestead exemption credit application was completed. The
19 application shall be on forms provided by the department. Forms
20 also shall be made available on the department's Internet site
21 and at all permanent branch offices and all full-time, temporary,
22 or fee offices maintained by the department of revenue. The
23 applicant shall attest under penalty of perjury:

24 (1) To the applicant's age;

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

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

28 (4) That any improvements made to the homestead, not made
29 to accommodate a disabled person, did not total more than five
30 percent of the prior year appraised value[; and

31 (5)].

32
33 The applicant shall also include with the application copies of
34 receipts indicating payment of property tax by the applicant for
35 the homestead property for the three prior tax years.

36 [7.] 5. Each applicant shall send the application to the
37 department by October fifteenth of each year for the taxpayer to

1 be eligible for the homestead exemption credit in the tax year
2 next following the calendar year in which the application was
3 completed.

4 [8. If application is made in 2005, upon receipt of the
5 applications, the department shall calculate the tax liability,
6 adjusted to exclude new construction or improvements verify
7 compliance with the maximum income limit, verify the age of the
8 applicants, and make adjustments to these numbers as necessary on
9 the applications. The department also shall disallow any
10 application where the applicant has also filed a valid
11 application for the senior citizens property tax credit, pursuant
12 to sections 135.010 to 135.035. Once adjusted tax liability,
13 age, and income are verified, the director shall determine
14 eligibility for the credit, and provide a list of all verified
15 eligible owners to the county collectors or county clerks in
16 counties with a township form of government by December fifteenth
17 of each year. By January fifteenth, the county collectors or
18 county clerks in counties with a township form of government
19 shall provide a list to the department of any verified eligible
20 owners who failed to pay the property tax due for the tax year
21 that ended immediately prior. Such eligible owners shall be
22 disqualified from receiving the credit in the current tax year.

23 9. If application is made after 2005,] 6. Upon receipt of
24 the applications, the department shall calculate the tax
25 liability, verify compliance with the maximum income limit,
26 verify the age of the applicants, and make adjustments to these
27 numbers as necessary on the applications. The department also
28 shall disallow any application where the applicant also has filed
29 a valid application for the senior citizens property tax credit
30 under sections 135.010 to 135.035. Once adjusted tax liability,
31 age, and income are verified, the director shall determine
32 eligibility for the credit and provide a list of all verified
33 eligible owners to the county assessors or county clerks in
34 counties with a township form of government by December fifteenth
35 of each year. By January fifteenth, the county assessors shall
36 provide a list to the department of any verified eligible owners
37 who made improvements not for accommodation of a disability to

1 the homestead and the dollar amount of the assessed value of such
2 improvements. If the dollar amount of the assessed value of such
3 improvements totaled more than five percent of the prior year
4 appraised value, such eligible owners shall be disqualified from
5 receiving the credit in the current tax year.

6 [10.] 7. The director shall calculate the level of
7 appropriation necessary to set the homestead exemption limit at
8 five percent when based on a year of general reassessment or at
9 two and one-half percent when based on a year without general
10 reassessment for the homesteads of all verified eligible owners,
11 and provide such calculation to the speaker of the house of
12 representatives, the president pro tempore of the senate, and the
13 director of the office of budget and planning in the office of
14 administration by January thirty- first of each year.

15 [11. For applications made in 2005, the general assembly
16 shall make an appropriation for the funding of the homestead
17 exemption credit that is signed by the governor, then the
18 director shall, by July thirty-first of such year, set the
19 homestead exemption limit. The limit shall be a single,
20 statewide percentage increase to tax liability, rounded to the
21 nearest hundredth of a percent, which, if applied to all
22 homesteads of verified eligible owners who applied for the
23 homestead exemption credit in the immediately prior tax year,
24 would cause all but one-quarter of one percent of the amount of
25 the appropriation, minus any withholding by the governor, to be
26 distributed during that fiscal year. The remaining one- quarter
27 of one percent shall be distributed to the county assessment
28 funds of each county on a proportional basis, based on the number
29 of eligible owners in each county; such one- quarter percent
30 distribution shall be delineated in any such appropriation as a
31 separate line item in the total appropriation. If no
32 appropriation is made by the general assembly during any tax year
33 or no funds are actually distributed pursuant to any
34 appropriation therefor, then no homestead preservation credit
35 shall apply in such year.

36 12. After setting the homestead exemption limit for
37 applications made in 2005, the director shall apply the limit to

1 the homestead of each verified eligible owner and calculate the
2 credit to be associated with each verified eligible owner's
3 homestead, if any. The director shall send a list of those
4 eligible owners who are to receive the homestead exemption
5 credit, including the amount of each credit, the certified parcel
6 number of the homestead, and the address of the homestead
7 property, to the county collectors or county clerks in counties
8 with a township form of government by August thirty-first.
9 Pursuant to such calculation, the director shall instruct the
10 state treasurer as to how to distribute the appropriation and
11 assessment fund allocation to the county collector's funds of
12 each county or the treasurer ex officio collector's fund in
13 counties with a township form of government where recipients of
14 the homestead exemption credit are located, so as to exactly
15 offset each homestead exemption credit being issued, plus the
16 one-quarter of one percent distribution for the county assessment
17 funds. As a result of the appropriation, in no case shall a
18 political subdivision receive more money than it would have
19 received absent the provisions of this section plus the one-
20 quarter of one percent distribution for the county assessment
21 funds. Funds, at the direction of the county collector or the
22 treasurer ex officio collector in counties with a township form
23 of government, shall be deposited in the county collector's fund
24 of a county or the treasurer ex officio collector's fund or may
25 be sent by mail to the collector of a county, or the treasurer ex
26 officio collector in counties with a township form of government,
27 not later than October first in any year a homestead exemption
28 credit is appropriated as a result of this section and shall be
29 distributed as moneys in such funds are commonly distributed from
30 other property tax revenues by the collector of the county or the
31 treasurer ex officio collector of the county in counties with a
32 township form of government, so as to exactly offset each
33 homestead exemption credit being issued. In counties with a
34 township form of government, the county clerk shall provide the
35 treasurer ex officio collector a summary of the homestead
36 exemption credit for each township for the purpose of
37 distributing the total homestead exemption credit to each

1 township collector in a particular county.

2 13.] 8. If, in any given year [after 2005], the general
3 assembly [shall make] makes an appropriation for the funding of
4 the homestead exemption credit that is signed by the governor,
5 then the director shall determine the apportionment percentage by
6 equally apportioning the appropriation among all eligible
7 applicants on a percentage basis. If no appropriation is made by
8 the general assembly during any tax year or no funds are actually
9 distributed pursuant to any appropriation therefor, then no
10 homestead preservation credit shall apply in such year.

11 [14.] 9. After determining the apportionment percentage,
12 the director shall calculate the credit to be associated with
13 each verified eligible owner's homestead, if any. The director
14 shall send a list of those eligible owners who are to receive the
15 homestead exemption credit, including the amount of each credit,
16 the certified parcel number of the homestead, and the address of
17 the homestead property, to the county collectors or county clerks
18 in counties with a township form of government by August
19 thirty-first. Pursuant to such calculation, the director shall
20 instruct the state treasurer as to how to distribute the
21 appropriation to the county collector's fund of each county where
22 recipients of the homestead exemption credit are located, so as
23 to exactly offset each homestead exemption credit being issued.
24 As a result of the appropriation, in no case shall a political
25 subdivision receive more money than it would have received absent
26 the provisions of this section. Funds, at the direction of the
27 collector of the county or treasurer ex officio collector in
28 counties with a township form of government, shall be deposited
29 in the county collector's fund of a county or may be sent by mail
30 to the collector of a county, or treasurer ex officio collector
31 in counties with a township form of government, not later than
32 October first in any year a homestead exemption credit is
33 appropriated as a result of this section and shall be distributed
34 as moneys in such funds are commonly distributed from other
35 property tax revenues by the collector of the county or the
36 treasurer ex officio collector of the county in counties with a
37 township form of government, so as to exactly offset each

1 homestead exemption credit being issued.

2 [15.] 10. The department shall promulgate rules for
3 implementation of this section. Any rule or portion of a rule,
4 as that term is defined in section 536.010, that is created under
5 the authority delegated in this section shall become effective
6 only if it complies with and is subject to all of the provisions
7 of chapter 536 and, if applicable, section 536.028. This section
8 and chapter 536 are nonseverable and if any of the powers vested
9 with the general assembly pursuant to chapter 536 to review, to
10 delay the effective date, or to disapprove and annul a rule are
11 subsequently held unconstitutional, then the grant of rulemaking
12 authority and any rule proposed or adopted after August 28,
13 [2004] 2012, shall be invalid and void. Any rule promulgated by
14 the department shall in no way impact, affect, interrupt, or
15 interfere with the performance of the required statutory duties
16 of any county elected official, more particularly including the
17 county collector when performing such duties as deemed necessary
18 for the distribution of any homestead appropriation and the
19 distribution of all other real and personal property taxes.

20 [16.] 11. In the event that an eligible owner dies or
21 transfers ownership of the property after the homestead exemption
22 limit has been set in any given year, but prior to January first
23 of the year in which the credit would otherwise be applied, the
24 credit shall be void and any corresponding moneys[, pursuant to
25 subsection 12 of this section,] shall lapse to the state to be
26 credited to the general revenue fund. In the event the collector
27 of the county or the treasurer ex officio collector of the county
28 in counties with a township form of government determines prior
29 to issuing the credit that the individual is not an eligible
30 owner because the individual did not pay the prior three years'
31 property tax liability in full, the credit shall be void and any
32 corresponding moneys[, under subsection 11 of this section,]
33 shall lapse to the state to be credited to the general revenue
34 fund.

35 [17.] 12. This section shall apply to all tax years
36 beginning on or after January 1, [2005] 2013. [This subsection

1 shall become effective June 28, 2004.

2 18. In accordance with the provisions of sections 23.250 to
3 23.298 and unless otherwise authorized pursuant to section
4 23.253:

5 (1) Any new program authorized under the provisions of this
6 section shall automatically sunset six years after the effective
7 date of this section; and

8 (2) This section shall terminate on September first of the
9 year following the year in which any new program authorized under
10 this section is sunset, and the revisor of statutes shall
11 designate such sections and this section in a revision bill for
12 repeal.] 13. Under section 23.253 of the Missouri sunset act:

13 (1) The provisions of the new program authorized under this
14 section shall automatically sunset on December thirty-first four
15 years after the effective date of this section unless
16 reauthorized by an act of the general assembly; and

17 (2) If such program is reauthorized, the program authorized
18 under this section shall automatically sunset on December thirty-
19 first four years after the effective date of the reauthorization
20 of this; and

21 (3) This section shall terminate on September first of the
22 calendar year immediately following the calendar year in which
23 the program authorized under this section is sunset."; and

24 Further amend said title, enacting clause and intersectional
25 references accordingly.