

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/SCS/Senate Bill No. 648, Page 22, Section 135.550, Line 11,

2 by inserting after all of said line the following:

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

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

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

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

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

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

15 (a) In the case of a married couple owning property either
 16 jointly or as tenants by the entirety, or where only one spouse
 17 owns the property, such couple shall be considered an eligible
 18 taxpayer if both spouses have reached the age of sixty-five or if
 19 one spouse is disabled, or if one spouse is at least sixty-five
 20 years old and the other spouse is at least sixty years old, and
 21 the combined income of the couple in the year prior to completing

1 an application pursuant to this section did not exceed the
2 maximum upper limit; or

3 (b) In the case of joint ownership by unmarried persons or
4 ownership by tenancy in common by two or more unmarried persons,
5 such owners shall be considered an eligible owner if each person
6 with an ownership interest individually satisfies the eligibility
7 requirements for an individual eligible owner under this section
8 and the combined income of all individuals with an interest in
9 the property is equal to or less than the maximum upper limit in
10 the year prior to completing an application under this section.

11 If any individual with an ownership interest in the property
12 fails to satisfy the eligibility requirements of an individual
13 eligible owner or if the combined income of all individuals with
14 interest in the property exceeds the maximum upper limit, then
15 all individuals with an ownership interest in such property shall
16 be deemed ineligible owners regardless of such other individual's
17 ability to individually meet the eligibility requirements; or

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

26
27 No individual shall be an eligible owner if the individual has
28 not paid the individual's property tax liability, if any, in full
29 by the payment due date in any of the three prior tax years,

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

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

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

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

26 (8) "Maximum upper limit", in the calendar year 2021, the
27 income sum of ninety thousand dollars; in each successive
28 calendar year this amount shall be raised by the incremental
29 increase in the general price level, as defined pursuant to

1 article X, section 17 of the Missouri Constitution.

2 3. Pursuant to Article X, Section 6(a) of the Constitution
3 of Missouri, if in the prior tax year, the property tax liability
4 on any parcel of subclass (1) real property increased by more
5 than the homestead exemption limit, without regard for any prior
6 credit received due to the provisions of this section, then any
7 eligible owner of the property shall receive a homestead
8 exemption credit to be applied in the current tax year property
9 tax liability to offset the prior year increase to tax liability
10 that exceeds the homestead exemption limit, except as eligibility
11 for the credit is limited by the provisions of this section. The
12 amount of the credit shall be listed separately on each
13 taxpayer's tax bill for the current tax year, or on a document
14 enclosed with the taxpayer's bill. The homestead exemption
15 credit shall not affect the process of setting the tax rate as
16 required pursuant to Article X, Section 22 of the Constitution of
17 Missouri and section 137.073 in any prior, current, or subsequent
18 tax year.

19 4. Any potential eligible owner may apply for the homestead
20 exemption credit by completing an application. Applications may
21 be completed between April first and October fifteenth of any tax
22 year in order for the taxpayer to be eligible for the homestead
23 exemption credit in the tax year next following the calendar year
24 in which the homestead exemption credit application was
25 completed. The application shall be on forms provided by the
26 department. Forms also shall be made available on the
27 department's internet site and at all permanent branch offices
28 and all full-time, temporary, or fee offices maintained by the
29 department of revenue. The applicant shall attest under penalty

1 of perjury:

2 (1) To the applicant's age;

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

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

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

9
10 The applicant shall also include with the application copies of
11 receipts indicating payment of property tax by the applicant for
12 the homestead property for the three prior tax years.

13 5. Each applicant shall send the application to the
14 department by October fifteenth of each year for the taxpayer to
15 be eligible for the homestead exemption credit in the tax year
16 next following the calendar year in which the application was
17 completed.

18 6. Upon receipt of the applications, the department shall
19 calculate the tax liability, verify compliance with the maximum
20 income limit, verify the age of the applicants, and make
21 adjustments to these numbers as necessary on the applications.
22 The department also shall disallow any application where the
23 applicant also has filed a valid application for the senior
24 citizens property tax credit under sections 135.010 to 135.035.
25 Once adjusted tax liability, age, and income are verified, the
26 director shall determine eligibility for the credit and provide a
27 list of all verified eligible owners to the county assessors or
28 county clerks in counties with a township form of government by
29 December fifteenth of each year. By January fifteenth, the

1 county assessors shall provide a list to the department of any
2 verified eligible owners who made improvements not for
3 accommodation of a disability to the homestead and the dollar
4 amount of the assessed value of such improvements. If the dollar
5 amount of the assessed value of such improvements totaled more
6 than five percent of the prior year appraised value, such
7 eligible owners shall be disqualified from receiving the credit
8 in the current tax year.

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

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

27 9. After determining the apportionment percentage, the
28 director shall calculate the credit to be associated with each
29 verified eligible owner's homestead, if any. The director shall

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

26 10. The department shall promulgate rules for
27 implementation of this section. Any rule or portion of a rule,
28 as that term is defined in section 536.010, that is created under
29 the authority delegated in this section shall become effective

1 only if it complies with and is subject to all of the provisions
2 of chapter 536 and, if applicable, section 536.028. This section
3 and chapter 536 are nonseverable and if any of the powers vested
4 with the general assembly pursuant to chapter 536 to review, to
5 delay the effective date, or to disapprove and annul a rule are
6 subsequently held unconstitutional, then the grant of rulemaking
7 authority and any rule proposed or adopted after August 28, 2020,
8 shall be invalid and void. Any rule promulgated by the
9 department shall in no way impact, affect, interrupt, or
10 interfere with the performance of the required statutory duties
11 of any county elected official, more particularly including the
12 county collector when performing such duties as deemed necessary
13 for the distribution of any homestead appropriation and the
14 distribution of all other real and personal property taxes.

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

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

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

4 (1) The program authorized under the provisions of this
5 section shall automatically sunset six years after the effective
6 date of this section unless reauthorized by an act of the general
7 assembly; 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."; and

13 Further amend the title and enacting clause accordingly.