

# SENATE BILL NO. 689

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR MCCREERY.

2493S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapter 135, RSMo, by adding thereto eighteen new sections relating to the deferral of property taxes by certain senior citizens.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto  
2 eighteen new sections, to be known as sections 135.060, 135.061,  
3 135.062, 135.063, 135.064, 135.066, 135.068, 135.070, 135.072,  
4 135.074, 135.076, 135.078, 135.080, 135.082, 135.084, 135.086,  
5 135.088, and 135.089, to read as follows:

135.060. As used in sections 135.060 to 135.089, the  
2 following terms shall mean:

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

4 (2) "Director", the director of the department of  
5 revenue;

6 (3) "Disabled", the inability to engage in any  
7 substantial gainful activity by reason of any medically  
8 determinable physical or mental impairment which can be  
9 expected to result in death or which has lasted or can be  
10 expected to last for a continuous period of not less than  
11 twelve months;

12 (4) "Equity interest", the difference between the  
13 assessed value of the property by the county assessor's  
14 office and the total of:

15 (a) All debts from the lien of mortgage, deeds of  
16 trust or security interests which are recorded or noted on a

17 certificate of title prior to January first of the current  
18 tax year; and

19 (b) Accumulated deferred taxes;

20 (5) "Homestead", the owner occupied principal  
21 dwelling, either real or personal property, owned by the  
22 taxpayer and the tax lot upon which it is located for at  
23 least the previous five years. If the homestead is located  
24 in a multi-unit building, the homestead is the portion of  
25 the building actually used as the principal dwelling and its  
26 percentage of the value of the common elements and of the  
27 value of the tax lot upon which it is built. The percentage  
28 is the value of the unit consisting of the homestead  
29 compared to the total value of the building exclusive of the  
30 common elements, if any;

31 (6) "Taxpayer", an individual who has filed a claim  
32 for deferral pursuant to section 135.061 or individuals who  
33 have jointly filed a claim for deferral pursuant to section  
34 135.061;

35 (7) "Tax-deferred property", the property upon which  
36 taxes are deferred pursuant to sections 135.060 to 135.089;

37 (8) "Taxes" or "property taxes", ad valorem taxes,  
38 assessments, fees and charges entered on the assessment and  
39 tax roll.

135.061. 1. An individual, or two or more individuals  
2 jointly, may elect to defer the property taxes on their  
3 homestead by filing a claim for deferral with the county  
4 assessor after January first and on or before October  
5 fifteenth of the first year in which deferral is claimed if  
6 the individual, or, in the case of two or more individuals  
7 filing a claim jointly, the older individual, is fifty-nine  
8 and one-half years of age or older on October fifteenth of  
9 the year in which the claim is filed, or if the individual

10 is disabled, or in the case of two or more individuals  
11 filing a claim jointly, one of the individuals is disabled.

12 2. The county assessor shall forward each claim filed  
13 pursuant to this section to the director which shall  
14 determine if the property is eligible for deferral.

15 3. When the taxpayer elects to defer property taxes  
16 for any year by filing a claim for deferral pursuant to  
17 subsection 1 of this section, it shall have the effect of:

18 (1) Deferring the payment of the property taxes levied  
19 on the homestead for the fiscal year beginning on January  
20 first of such year;

21 (2) Continuing the deferral of the payment by the  
22 taxpayer of any property taxes deferred pursuant to sections  
23 135.060 to 135.089 for previous years which have not become  
24 delinquent pursuant to section 135.076;

25 (3) Continuing the deferral of the payment by the  
26 taxpayer of any future property taxes for as long as the  
27 provisions of section 135.062 are met.

28 4. If a guardian or conservator has been appointed for  
29 an individual otherwise qualified to obtain deferral of  
30 taxes pursuant to sections 135.060 to 135.089, the guardian  
31 or conservator may act for such individual in complying with  
32 the provisions of sections 135.060 to 135.089.

33 5. If a trustee of an inter vivos trust which was  
34 created by and is revocable by an individual, who is both  
35 the settlor and a beneficiary of the trust and who is  
36 otherwise qualified to obtain a deferral of taxes pursuant  
37 to sections 135.060 to 135.089, owns the fee simple estate  
38 under a recorded instrument of sale, the trustee may act for  
39 the individual in complying with the provisions of sections  
40 135.060 to 135.089.

41           6. Nothing in this section shall be construed to  
42 require a spouse of an individual to file a claim jointly  
43 with the individual even though the spouse may be eligible  
44 to claim the deferral jointly with the individual.

45           7. Any person aggrieved by the denial of a claim for  
46 deferral of homestead property taxes or disqualification  
47 from deferral of homestead property taxes may appeal in the  
48 manner provided for denial of a claim pursuant to section  
49 143.841.

          135.062. In order to qualify for tax deferral pursuant  
2 to sections 135.060 to 135.089, the property shall meet all  
3 of the following requirements when the claim is filed and  
4 thereafter so long as the payment of taxes by the taxpayer  
5 is deferred:

6           (1) The property shall be the homestead of the  
7 individual or individuals who file the claim for deferral,  
8 except for an individual required to be absent from the  
9 homestead by reason of health;

10           (2) The person claiming the deferral shall, by himself  
11 or herself or together with his or her spouse, own the fee  
12 simple estate or be purchasing the fee simple estate under a  
13 recorded instrument of sale, or two or more persons shall  
14 together own or be purchasing the fee simple estate with  
15 rights of survivorship under a recorded instrument of sale  
16 if all owners live in the homestead and if all owners apply  
17 for the deferral jointly;

18           (3) There shall be no prohibition to the deferral of  
19 property taxes contained in any provision of federal law,  
20 rule or regulation applicable to a mortgage, trust deed,  
21 land sale contract or conditional sale contract for which  
22 the homestead is security;

23           (4) The equity interest in the homestead is a positive  
24 number equal to or exceeding ten percent of the assessed  
25 value of the homestead; and

26           (5) The person claiming the deferral shall, by himself  
27 or herself or together with his or her spouse, show proof of  
28 insurance on the homestead in an amount equal to or  
29 exceeding the assessed value of the homestead to the  
30 director.

          135.063. 1. A taxpayer's claim for deferral pursuant  
2 to section 135.061 shall be in writing on a form supplied by  
3 the department and shall:

4           (1) Describe the homestead;

5           (2) Recite facts establishing the eligibility for the  
6 deferral pursuant to the provisions of sections 135.060 to  
7 135.089;

8           (3) Have attached any documentary proof required by  
9 the director to show that the requirements of sections  
10 135.060 to 135.089 have been met.

11           2. There shall be annexed to the claim a statement  
12 verified by a written declaration of the applicant making  
13 the claim to the effect that the statements contained in the  
14 claim are true.

          135.064. 1. If eligibility for deferral of homestead  
2 property is established as provided in sections 135.060 to  
3 135.089, the director shall notify the county assessor and  
4 the county assessor shall show on the current ad valorem  
5 assessment and tax roll which property is tax-deferred  
6 property by an entry clearly designating such property as  
7 tax-deferred property.

8           2. When requested by the director, the collector shall  
9 send to the director as soon as the taxes are extended upon  
10 the roll the tax statement for each tax-deferred property.

11           3. Interest shall accrue on the actual amount of taxes  
12 advanced to the county for the tax-deferred property at the  
13 rate of the average annual interest rate paid on any bonds  
14 or other evidence of indebtedness, plus two percent rounded  
15 up to the nearest whole percentage.

          135.066. 1. In each county in which there is tax-  
2 deferred property, the director shall cause to be recorded  
3 in the mortgage records of the county, a list of tax-  
4 deferred properties of that county prepared by the  
5 assessor. The list shall contain a description of the  
6 property as listed on the assessment roll together with the  
7 name of the owner listed thereon.

8           2. Except as provided in section 135.072, the  
9 recording of the tax-deferred properties pursuant to  
10 subsection 1 of this section shall be notice that the  
11 director claims a lien against those properties in the  
12 amount of the deferred taxes plus interest together with any  
13 fees paid to the recorder of deeds in connection with the  
14 recording, release, or satisfaction of the lien, even though  
15 the amount of taxes, interest, or fees is not listed.

16           3. Notwithstanding any provisions of law to the  
17 contrary, the director shall not be required to pay any  
18 filing, indexing, or recording fees to the county in  
19 connection with the recording, release, or satisfaction of  
20 liens against tax-deferred properties of that county in  
21 advance or at the time entry is made.

          135.068. 1. Upon determining the amount of deferred  
2 taxes on tax-deferred property for the tax year, the  
3 director shall pay to the respective county collectors an  
4 amount equivalent to the deferred taxes less two percent  
5 thereof. Payment shall be made from the account established  
6 pursuant to section 135.089.

7           2. The director shall maintain accounts for each  
8 deferred property and shall accrue interest only on the  
9 actual amount of taxes advanced to the county.

10           3. If only a portion of taxes are deferred pursuant to  
11 section 135.080, the director shall pay the portion that is  
12 eligible for deferral to the collector and shall provide a  
13 separate notice to the county assessor stating the amount of  
14 property taxes that the director is paying.

135.070. 1. On or before December fifteenth of each  
2 year, the director shall send a notice to each taxpayer who  
3 is qualified to claim deferral of property taxes for the  
4 current tax year. The notice shall:

5           (1) Inform the taxpayer that the property taxes have  
6 or have not been deferred in the current year;

7           (2) Show the total amount of deferred taxes remaining  
8 unpaid since initial application for deferral and the  
9 interest accruing therein to November fifteenth of the  
10 current year;

11           (3) Inform the taxpayer that voluntary payment of the  
12 deferred taxes may be made at any time to the director; and

13           (4) Contain any other information that the director  
14 considers necessary to facilitate administration of the  
15 homestead deferral program.

16           2. The director shall give the notice required  
17 pursuant to subsection 1 of this section by an unsealed  
18 postcard or other form of mail sent to the residence address  
19 of the taxpayer as shown in the claim for deferral or as  
20 otherwise determined by the director to be the correct  
21 address of the taxpayer.

22           3. Any taxpayer who meets the requirements of section  
23 135.061 and whose homestead meets the requirements of  
24 section 135.062 who has not deferred their property tax for

25 the preceding calendar year and who has deferred in prior  
26 years shall be permitted to file the application required by  
27 section 135.063 until January thirty-first of the following  
28 calendar year.

135.072. 1. At the time that the taxpayer elects to  
2 defer property taxes pursuant to sections 135.060 to  
3 135.089, the director shall estimate the amount of property  
4 taxes that shall be deferred for tax years beginning on or  
5 after January 1, 2024, and interest thereon. Thereafter,  
6 the director shall have a lien in the amount of the estimate.

7 2. The lien created pursuant to subsection 1 of this  
8 section shall attach to the property to which the election  
9 to defer relates on January first of the tax year of initial  
10 deferral.

11 3. The lien created under subsection 1 of this section  
12 in the amount of the estimate shall have the same priority  
13 as other real property tax liens except that the lien of  
14 mortgages, trust deeds, or security interests which are  
15 recorded or noted on a certificate of title prior in time to  
16 the attachment of the lien for deferred taxes shall be prior  
17 to the liens for deferred taxes.

18 4. If during the period of tax deferment, the amount  
19 of taxes, interest and fees exceeds the estimate, the  
20 director shall have a lien for the amount of the excess.  
21 The liens for the excess shall attach to the property on  
22 January first of the tax year in which the excess occurs.  
23 The lien for the excess shall have the same priority as  
24 other real property tax liens, except that the lien of  
25 mortgages, trust deeds, or security interests recorded or  
26 noted on any certificate of title prior in time to the date  
27 that the director records an amendment to its estimate to



28 reflect its lien for the excess shall be prior to the lien  
29 for the excess.

30 5. Notwithstanding the provisions of section 135.066,  
31 the notice of lien for deferred taxes recorded as provided  
32 in section 135.066 arising on or after January 1, 2024,  
33 shall list the amount of the estimate of deferred taxes,  
34 interest and fees made by the director pursuant to  
35 subsection 1 of this section and any amendment to the notice  
36 to reflect a lien for excess, as described pursuant to  
37 subsection 4 of this section, shall list the amount of the  
38 excess that the director claims as lien.

39 6. A lien created pursuant to this section may be  
40 foreclosed by the director pursuant to the law relating to  
41 foreclosure in civil suits or any other collection methods  
42 given the director of revenue. The court may award  
43 reasonable attorney fees to the prevailing party in a  
44 foreclosure action pursuant to this section.

45 7. Receipts from foreclosure proceedings shall be  
46 credited in the same manner as other repayments of deferred  
47 property taxes pursuant to section 135.089.

48 8. By means of voluntary payment made as provided  
49 pursuant to section 135.080, the taxpayer may limit the  
50 amount of the lien for deferred taxes created pursuant to  
51 this section. If the taxpayer desires that the limit be  
52 reflected in the records of the county, the taxpayer shall  
53 request, subject to any rules adopted by the director, that  
54 the director cause a partial satisfaction of the lien to be  
55 recorded in the county. Upon receipt of such a request, the  
56 director shall cause a partial satisfaction, in the amount  
57 of the voluntary payment, to be so recorded. Nothing in  
58 this subsection shall affect the priority of the liens of

59 the director, as originally created pursuant to subsections  
60 1 and 4 of this section.

61 9. Nothing in this section shall affect any lien  
62 arising pursuant to sections 135.060 to 135.089 for taxes  
63 assessed before January 1, 2024.

135.074. Subject to section 135.078, all deferred  
2 property taxes, including accrued interest, become payable  
3 as provided in section 135.076 when:

4 (1) The taxpayer who claimed deferment of collection  
5 of property taxes on the homestead dies or, if there was  
6 more than one claimant, the survivor of the taxpayers who  
7 originally claimed deferment of collection of property taxes  
8 pursuant to section 135.061 dies;

9 (2) Except as provided in section 135.072, the  
10 property with respect to which deferment of collection of  
11 taxes is claimed is sold, or a contract to sell is entered  
12 into, or some person other than the taxpayer who claimed the  
13 deferment becomes the owner of the property;

14 (3) The tax-deferred property is no longer the  
15 homestead of the taxpayer who claimed the deferral, except  
16 in the case of a taxpayer required to be absent from such  
17 tax-deferred property by reason of health;

18 (4) The tax-deferred property, a manufactured  
19 structure or floating home, is moved out of the state; or

20 (5) Any outstanding indebtedness against the tax-  
21 deferred property is refinanced.

135.076. 1. Whenever any of the circumstances listed  
2 in section 135.074 occurs:

3 (1) The deferral of taxes for the assessment year in  
4 which the circumstance occurs shall continue for such  
5 assessment year; and

6           (2) The amounts of deferred property taxes, including  
7 accrued interest, for all years shall be due and payable on  
8 the date of closing or the date of probate to the director,  
9 except as provided in subsection 3 of this section, section  
10 135.078 and section 135.084.

11           2. Notwithstanding the provisions of subsection 1 of  
12 this section and section 135.084, when the circumstances  
13 listed in subdivision (4) of section 135.074 occur, the  
14 amount of deferred taxes shall be due and payable five days  
15 before the date of removal of the property from the state.

16           3. If the amounts falling due as provided in this  
17 section are not paid on the indicated due date, or as  
18 extended pursuant to section 135.084, such amounts shall be  
19 deemed delinquent as of that date and the property shall be  
20 subject to foreclosure as provided in section 135.072.

          135.078. 1. Notwithstanding the provisions of section  
2 135.074, when one of the circumstances listed in section  
3 135.074 occurs, the spouse who was not eligible to or did  
4 not file a claim jointly with the taxpayer may continue the  
5 property in its deferred tax status by filing a claim within  
6 the time and in the manner provided pursuant to section  
7 135.061 if:

8           (1) The spouse of the taxpayer is or will be sixty  
9 years of age or older not later than six months from the day  
10 the circumstance listed in section 135.074 occurs; and

11           (2) The property is the homestead of the spouse of the  
12 taxpayer and meets the requirements of subsection 2 of  
13 section 135.062.

14           2. A spouse who does not meet the age requirements of  
15 subsection 1 of this section but is otherwise qualified to  
16 continue the property in its tax-deferred status pursuant to  
17 subsection 1 of this section may continue the deferral of

18 property taxes deferred for previous years by filing a claim  
19 within the time and in the manner provided pursuant to  
20 section 135.061. If a spouse eligible for and continuing  
21 the deferral of taxes previously deferred pursuant to this  
22 subsection becomes fifty-nine and one half years of age  
23 prior to October fifteenth of any year, the spouse may elect  
24 to continue the deferral of previous years' taxes deferred  
25 pursuant to this subsection and may elect to defer the  
26 current assessment year's taxes on the homestead by filing a  
27 claim within the time and in the manner provided pursuant to  
28 section 135.061. Thereafter, payment of the taxes levied on  
29 the homestead and deferred pursuant to this subsection and  
30 payment of taxes levied on the homestead in the current  
31 assessment year and in future years may be deferred in the  
32 manner provided in and subject to sections 135.060 to  
33 135.089.

34 3. Notwithstanding that section 135.061 requires that  
35 a claim be filed no later than October fifteenth, if the  
36 director determines that good and sufficient cause exists  
37 for the failure of a spouse to file a claim pursuant to this  
38 section on or before October fifteenth, the claim may be  
39 filed within one hundred eighty days after notice of taxes  
40 due and payable pursuant to section 135.060 is mailed or  
41 delivered by the director to the taxpayer or spouse.

135.080. 1. All payments of deferred taxes shall be  
2 made to the director.

3 2. Any payment made pursuant to this section shall be  
4 applied first against accrued interest and any remainder  
5 against the deferred taxes. Such payment shall not affect  
6 the deferred tax status of the property. Unless otherwise  
7 provided by law, such payment shall not give the person  
8 paying the taxes any interest in the property or any claim

9 against the estate, in the absence of a valid agreement to  
10 the contrary.

11 3. When the deferred taxes and accrued interest are  
12 paid in full and the property is no longer subject to  
13 deferral, the director shall prepare and record in the  
14 county in which the property is located a satisfaction of  
15 deferred property tax lien.

135.082. 1. At the time the property is deeded over  
2 to the county at the conclusion of the foreclosure  
3 proceedings pursuant to chapter 141, the court shall order  
4 the county treasurer to pay to the director, from the  
5 unsegregated tax collections account, the amount of deferred  
6 taxes and interest which were not collected.

7 2. Immediately upon payment, the county treasurer  
8 shall notify the collector of the amount paid to the  
9 director for the property which has been deeded to the  
10 county.

135.084. 1. The director may extend the time for  
2 payment of the deferred taxes and interest accruing with  
3 respect to the taxes becoming due and payable pursuant to  
4 subsection 2 of section 135.076 if:

5 (1) The taxpayer who claimed homestead property tax  
6 deferral dies, or if a spouse who continued the deferral  
7 pursuant to section 135.078 dies;

8 (2) The homestead property becomes property of an  
9 individual or individuals:

10 (a) By inheritance or devise; or

11 (b) If the individual or individuals are heirs or  
12 devisees, as defined pursuant to section 472.010, in the  
13 course of settlement of the estate;

14 (3) The individual or individuals commence occupancy  
15 of the property as a principal residence on or before

16 February fifteenth of the calendar year following the  
17 calendar year of death; and

18 (4) The individual or individuals make application to  
19 the director for an extension of time for payment of the  
20 deferred taxes and interest prior to February fifteenth of  
21 the calendar year following the calendar year of death.

22 2. (1) Subject to subdivision (2) of this subsection,  
23 an extension granted pursuant to this section shall be for a  
24 period not to exceed five years after February fifteenth of  
25 the calendar year following the calendar year of death. The  
26 terms and conditions under which the extension is granted  
27 shall be in accordance with a written agreement entered into  
28 by the director and the individual or individuals.

29 (2) An extension granted pursuant to this section  
30 shall terminate immediately if:

31 (a) The homestead property is sold or otherwise  
32 transferred by any party to the extension agreement;

33 (b) All of the heirs or devisees who are parties to  
34 the extension agreement cease to occupy the property as a  
35 principal residence; or

36 (c) The homestead property, a manufactured structure  
37 or floating home, is moved out of the state.

38 3. If the director has reason to believe that the  
39 homestead property is not sufficient security for the  
40 deferred taxes and interest, the director may require the  
41 individual or individuals to furnish a bond conditioned upon  
42 payment of the amount extended in accordance with the terms  
43 of the extension. The bond shall not exceed an amount  
44 double the taxes with respect to which tax extension is  
45 granted.

46 4. During the period of extension, and until paid, the  
47 deferred taxes shall continue to accrue interest in the same

48 manner and at the same rate as provided pursuant to  
49 subsection 3 of section 135.064. No interest shall accrue  
50 upon interest.

51 5. When any taxpayer who claimed homestead property  
52 tax deferral dies, the spouse, heirs and devisees, as  
53 defined pursuant to section 472.010, shall notify in writing  
54 the director of the taxpayer's death.

135.086. Nothing in sections 135.060 to 135.089 is  
2 intended to or shall be construed to:

3 (1) Prevent the collection, by foreclosure, of  
4 property taxes which become a lien against tax-deferred  
5 property;

6 (2) Defer payment of special assessments to benefitted  
7 property which assessments do not appear on the assessment  
8 and tax roll; or

9 (3) Affect any provision of any mortgage or other  
10 instrument relating to land requiring a person to pay  
11 property taxes.

135.088. After August 28, 2023, it shall be unlawful  
2 for any mortgage trust deed or land sale contract to contain  
3 a clause or statement which prohibits the owner from  
4 applying for the benefits of the deferral of homestead  
5 property taxes provided in sections 135.060 to 135.089. Any  
6 such clause or statement in a mortgage trust deed or land  
7 sale contract executed after August 28, 2023, shall be void.

135.089. 1. There is hereby established in the state  
2 treasury the "Property Tax Deferral Revolving Account" which  
3 shall consist of money collected under this section. The  
4 state treasurer shall be custodian of the account. In  
5 accordance with sections 30.170 and 30.180, the state  
6 treasurer may approve disbursements. Upon appropriation,  
7 money in the account shall be used solely for the purposes

8 in sections 135.060 to 135.089. Notwithstanding the  
9 provisions of section 33.080, to the contrary, any moneys  
10 remaining in the account at the end of the biennium shall  
11 not revert to the credit of the general revenue fund. The  
12 state treasurer shall invest moneys in the account in the  
13 same manner as other funds are invested. Any interest and  
14 moneys earned on such investments shall be credited to the  
15 account.

16 2. The moneys in the account shall be used by the  
17 director of revenue for the purpose of making the payments  
18 to:

19 (1) County collectors of property taxes deferred for  
20 tax years beginning on or after January 1, 2024, as required  
21 by section 135.068;

22 (2) The director for its expenses in administering the  
23 property tax and special assessment senior deferral programs.

24 3. The funds necessary to make payments under  
25 subsection 1 of this section shall be advanced annually to  
26 the director.

27 4. The property tax deferral revolving account may  
28 include a reserve for payment of department administrative  
29 expenses.

30 5. All sums of money received by the director pursuant  
31 to sections 135.060 to 135.089 as repayments of deferred  
32 property taxes including the interest accrued pursuant to  
33 subsection 3 of section 135.064 shall, upon receipt, be  
34 credited to the revolving account and are continuously  
35 appropriated to the department for the purposes of  
36 subsection 1 of this section.

37 6. If there is not sufficient money in the revolving  
38 account to make the payments required by subsection 1 of  
39 this section, an amount sufficient to make the required



40 payments shall be transferred from the general revenue fund  
41 to the revolving account.

42         7. When the department determines that moneys in  
43 sufficient amounts are available in the revolving account,  
44 the director shall repay to the general revenue fund the  
45 amounts advanced as investments pursuant to subsection 2 of  
46 this section. The moneys used to repay the general revenue  
47 fund pursuant to this section shall not be considered as  
48 part of the calculation of total state revenue. Provisions  
49 of section 33.080 to the contrary notwithstanding, moneys in  
50 the revolving account shall not lapse to general revenue.

51         8. The account may be funded by bonds or other  
52 evidence of indebtedness in an amount necessary to make the  
53 payments required by this section.

✓