

For Immediate Release
April 15, 2004

Contact: Senator Chuck Gross
573-751-8635

**MISSOURI GENERAL ASSEMBLY PASSES TAX REFORM LEGISLATION
THAT PROVIDES PROPERTY TAX RELIEF TO SENIOR CITIZENS**

JEFFERSON CITY -- The Missouri General Assembly today passed landmark tax relief legislation that will provide senior citizens and the disabled with relief from rapidly rising property taxes that most Missouri counties have enacted in recent years. Sponsored by Sen. Chuck Gross, R-St. Charles, Senate Bill 730 creates the Homestead Preservation Act which will allow those 65 years or older and disabled persons to obtain a tax credit for increases which exceed 5 percent.

This is the first major tax reform bill to be passed by the Legislature this session, passage of which came after a conference committee made up of representatives from the Senate and the House unanimously agreed on compromises. Rep. Chuck Portwood, R-Ballwin, served as the House sponsor for SB 730.

“We have developed a bill that will protect senior citizens without penalizing school districts, which are dependent on property taxes,” said Gross, a long-time supporter of property tax reform. “I want to thank Senate and House leadership for giving this legislation top priority. I also want to recognize Rep. Portwood for his tireless efforts to pass this measure in the House.”

Currently under statewide reassessment, a home’s value is supposed to be recalculated every two years, and because reassessment is not intended to create an overall increase in taxes, levies are supposed to be rolled back. At the same time, the taxes on individual property can increase – sometimes dramatically – if the reassessed value of the property is greater than the average increase of all properties in the political subdivision.

Under this reform measure, assessors would be required to forward all information on applicants for the homestead credit to the Department of Revenue (DOR) by Oct. 31. Then the DOR would forward to the county collectors and clerks a certified list of those applicants in their area who meet the requirements of the homestead preservation credit.

Eligible homeowners may apply for the homestead exemption credit by completing an application through their local assessor's office. Applications will be accepted starting April 1 through Sept. 13 of any tax year.

Each January, the Missouri General Assembly would file an appropriation bill to fund the homestead exemption.

When county collectors send out the current year's tax bill in October, those seniors or disabled persons eligible for a homestead credit will find it listed on the bill as applied against their current tax liability. The only exceptions are those eligible homeowners who have made home improvements which would exceed 5 percent.

"Passage of this measure is the culmination of years of work on the part of Sen. Gross, myself and other lawmakers who have watched in frustration as Missouri's senior citizens have struggled with skyrocketing property tax bills," said Portwood. "When SB 730 is signed law it will offer relief to thousands of Missouri's senior citizens."

St. Louis and St. Charles counties have been among the areas in Missouri most seriously impacted by rising property taxes.

"One of my retired constituents came to me with a property tax bill that had increased by 43 percent," Gross said. "For anyone living on a fixed income an increase like that can be devastating. It's absurd that anyone in Missouri would be forced to sell their home because they can no longer afford to pay their property taxes."

During hearings on this bill in both the Senate and the House, those offering testimony in favor of this legislation included representatives from the Missouri School Boards' Association, the Missouri State Teachers Association, the Missouri Silver Haired Legislature, the Missouri Collectors' Association, the Cooperating School Districts of Greater St. Louis and the Missouri Growth Association.

"This bill will offer relief to Missouri's older residents without harming the education of its youngest residents," said Gross.

Having been truly agreed and passed by the General Assembly, SB 730 will be sent to the governor's desk to be signed into law. If signed by the governor, it will become law Aug. 28.