FIRST REGULAR SESSION

SENATE BILL NO. 485

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATORS DAYS AND GREEN.

Read 1st time March 1, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

1923S.01I

AN ACT

To amend chapter 137, RSMo, by adding thereto two new sections relating to a homestead exemption for senior and disabled persons, with a sunset provision.

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

Section A. Chapter 137, RSMo, is amended by adding thereto two new sections, to be known as sections 137.102 and 137.104, to read as follows:

137.102. As used in this section and section 137.104, the following terms shall mean:

(1) "Homestead", a taxpayer-owned and occupied principle dwelling real or personal property, along with appurtenances thereto and personal property thereon and up to five acres of land surrounding it as it is reasonably necessary for use of the dwelling as a home; provided, however, that the dwelling shall have been owned in fee simple by said taxpayer for a continuous period of not less than five years. If the homestead is located in a multi-unit building, the homestead is the portion of the building actually used as the principle dwelling and its percentage of the value of the common elements and of the value of the property upon which it is built. The percentage is the value of the unit consisting of the homestead compared to the total value of the building exclusive of common elements, if any;

(2) "Household", a person or group of persons living together in a room or group of rooms as a housing unit, but the term does not include persons boarding in or renting a portion of the dwelling;

(3) "Household income", the federal adjusted gross income as defined in Section 62 of the United States Internal Revenue Code, of all members in the household;

(4) "Individual with a disability", a taxpayer with a physical or mental impairment which substantially limits one or more of a person's major life

activities, or who is regarded as having such an impairment, or has a record of having such an impairment;

(5) "Tax-deferred property", the property upon which increases in taxes are deferred under this section;

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

137.104. 1. Beginning January 1, 2006, any taxpayer sixty-five years of age or older with a household income of seventy thousand dollars or less, or any individual with a disability receiving Social Security income, may elect to defer any increases in taxes on homestead property beyond the total property taxes paid in the previous year, by obtaining a deferral after January first and on or before October fifteenth of the first year in which deferral is first claimed.

2. In order to qualify for tax deferral under this section, the following requirements must be met when the claim is filed and thereafter so long as the payment of taxes by the taxpayer is deferred:

(1) The property must be the homestead of the taxpayer who files the claim for deferral, except for a taxpayer required to be absent from the homestead by reason of health who owns the dwelling jointly with one or more individuals who qualify for the deferral;

(2) The homestead must be located in a county with a charter form of government and with more than one million inhabitants;

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

(4) The equity interest in the homestead must equal or exceed ten percent of the true value in money of the homestead; and

(5) The taxpayer claiming the deferral must show proof of, and maintain throughout the deferral period, insurance on the homestead in an amount equal to or exceeding the assessed value of the homestead.

3. A taxpayer's claim for deferral under this section shall be filed with the county assessor in writing on a form supplied by the department of revenue and shall:

(1) Describe the homestead;

(2) Recite facts establishing the eligibility for the deferral under the provisions of section 137.102, including facts that establish that the household income of the individual or individuals in the household was, for the calendar year immediately preceding the calendar year in which the claim was filed, seventy thousand dollars or less; or

(3) Have attached any documentary proof required by the director to show that the requirements of this section have been met. A federal income tax return shall be determined as proof of eligibility under this income guideline.

4. The county assessor shall forward each claim filed under this section to the director of revenue, who shall determine if the property is eligible for deferral. If eligibility for deferral of homestead property taxes is established, the director of revenue shall notify the county assessor collector who shall show on the current ad valorem assessment and tax roll which property is tax-deferred property by an entry clearly designating such property as tax-deferred property.

5. The portion of increased taxes due beyond the total base amount of ad valorem property taxes paid in 2005 shall be deferred, and the county assessor or collector shall maintain accounts for each deferred property and shall accrue interest only on the amount of taxes deferred. The interest rate shall be two and one-half percent annually. The director of revenue shall have a lien on the homestead property in the amount of the deferred taxes and interest due.

6. The lien created under this section shall have the same priority as other real property tax liens except that the lien of mortgages, trust deeds, or security interests which are recorded or noted on a certificate of title prior in time to the attachment of the lien for deferred taxes shall be prior to the liens for deferred taxes.

7. Deferred ad valorem taxes and accrued interest shall become due and payable when:

(1) The taxpayer who claimed deferment of collection of property taxes on the homestead dies, or if there was more than one claimant, the survivor of the taxpayer who originally claimed the deferment of collection of property taxes under this section dies;

(2) The property with respect to which deferment of collection of taxes is claimed is sold or otherwise transferred;

(3) The tax-deferred property is no longer the homestead of the taxpayer who claimed the deferral, except in the case of a taxpayer required to be absent from such tax-deferred property by reason of health who owns the dwelling jointly with one or more individuals who qualify for the deferral;

(4) The tax-deferred property is a manufactured structure or floating home which is moved out of the state.

8. Whenever any of the circumstances listed in this subsection occurs, the deferral of taxes for the assessment year in which the circumstance occurs shall continue for such assessment year, and the amounts of deferred property taxes, including accrued interest, for all years shall be due and payable on the date of

closing or the date of probate to the director of revenue. If the homestead property is removed from the state, the amount of deferred taxes shall be due and payable five days before the date of removal of the property from the state. All payments of deferred taxes shall be made to the county collector and shall be distributed in accordance with the then-current distribution plan.

9. The provisions of this section shall automatically sunset five years after the effective date of this section unless reauthorized by an act of the general assembly.

T