

FIRST REGULAR SESSION

SENATE BILL NO. 32

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BRAY.

Pre-filed December 1, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

0430S.011

AN ACT

To amend chapter 135, RSMo, by adding thereto twenty new sections relating to senior citizen homestead deferral of taxes.

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

Section A. Chapter 135, RSMo, is amended by adding thereto twenty new sections, to be known as sections 135.037, 135.039, 135.041, 135.043, 135.045, 135.047, 135.049, 135.051, 135.053, 135.059, 135.061, 135.063, 135.065, 135.066, 135.067, 135.073, 135.075, 135.077, 135.079 and 135.083, to read as follows:

135.037. As used in sections 135.037 to 135.083, the following terms shall mean:

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

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

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

(a) All debts from the lien of mortgage, deeds of trust or security interests which are recorded or noted on a certificate of title prior to January first of the current tax year; and

(b) Accumulated deferred taxes;

(4) "Homestead", the owner occupied principal dwelling, either real or personal property, owned by the taxpayer and the tax lot upon which it is located. If the homestead is located in a multi-unit building, the homestead is the portion of the building actually used as the principal dwelling and its percentage of the value of the common elements and of the value of the tax lot 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 the common elements, if any;

- 20 (5) "Household income", the federal adjusted gross income;
21 (6) "Maximum upper limit", thirty-two thousand dollars;
22 (7) "Taxpayer", an individual who has filed a claim for deferral
23 pursuant to section 135.039 or individuals who have jointly filed a claim
24 for deferral pursuant to section 135.039;
25 (8) "Tax-deferred property", the property upon which taxes are
26 deferred pursuant to sections 135.037 to 135.083;
27 (9) "Taxes" or "property taxes", ad valorem taxes, assessments,
28 fees and charges entered on the assessment and tax roll.

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

8 2. In order to make the election described in subsection 1 of this
9 section, the individual must have, or in case of two or more individuals
10 filing a claim jointly, all of the individuals together must have
11 household income for the calendar year immediately preceding the
12 calendar year in which the claim is filed of less than the maximum
13 upper limit.

14 3. The county assessor shall forward each claim filed pursuant
15 to this section to the director of revenue which shall determine if the
16 property is eligible for deferral.

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

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

22 (2) Continuing the deferral of the payment by the taxpayer of
23 any property taxes deferred pursuant to sections 135.037 to 135.083 for
24 previous years which have not become delinquent pursuant to section
25 135.061;

26 (3) Continuing the deferral of the payment by the taxpayer of
27 any future property taxes for as long as the provisions of section
28 135.041 are met.

29 5. If a guardian or conservator has been appointed for an
30 individual otherwise qualified to obtain deferral of taxes pursuant to
31 sections 135.037 to 135.083, the guardian or conservator may act for
32 such individual in complying with the provisions of sections 135.037 to
33 135.083.

34 6. If a trustee of an inter vivos trust which was created by and
35 is revocable by an individual, who is both the settlor and a beneficiary
36 of the trust and who is otherwise qualified to obtain a deferral of taxes
37 pursuant to sections 135.037 to 135.083, owns the fee simple estate
38 under a recorded instrument of sale, the trustee may act for the
39 individual in complying with the provisions of sections 135.037 to
40 135.083.

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

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

 135.041. In order to qualify for tax deferral pursuant to sections
2 135.037 to 135.083, the property must meet all of the following
3 requirements when the claim is filed and thereafter so long as the
4 payment of taxes by the taxpayer is deferred:

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

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

15 (3) There must be no prohibition to the deferral of property
16 taxes contained in any provision of federal law, rule or regulation
17 applicable to a mortgage, trust deed, land sale contract or conditional

18 sale contract for which the homestead is security;

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

22 (5) The person claiming the deferral must, by himself or herself
23 or together with his or her spouse, show proof of insurance on the
24 homestead in an amount equal to or exceeding the assessed value of the
25 homestead to the director of revenue.

135.043. 1. A taxpayer's claim for deferral pursuant to section
2 135.039 shall be in writing on a form supplied by the department and
3 shall:

4 (1) Describe the homestead;

5 (2) Recite facts establishing the eligibility for the deferral
6 pursuant to the provisions of sections 135.037 to 135.083, including facts
7 that establish that the household income of the individual, or in the
8 case of two or more individuals claiming the deferral jointly, was, for
9 the calendar year immediately preceding the calendar year in which
10 the claim is filed, less than the amount required pursuant to section
11 135.039;

12 (3) Have attached any documentary proof required by the
13 director to show that the requirements of sections 135.037 to 135.083
14 have been met.

15 2. There shall be annexed to the claim a statement verified by a
16 written declaration of the applicant making the claim to the effect that
17 the statements contained in the claim are true.

135.045. 1. If eligibility for deferral of homestead property is
2 established as provided in sections 135.037 to 135.083, the director of
3 revenue shall notify the county assessor and the county assessor shall
4 show on the current ad valorem assessment and tax roll which property
5 is tax-deferred property by an entry clearly designating such property
6 as tax-deferred property.

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

10 3. Interest shall accrue on the actual amount of taxes advanced
11 to the county for the tax-deferred property at the rate of six percent
12 per annum.

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

6 2. Except as provided in section 135.053, the recording of the
7 tax-deferred properties pursuant to subsection 1 of this section is
8 notice that the director claims a lien against those properties in the
9 amount of the deferred taxes plus interest together with any fees paid
10 to the county clerk in connection with the recording, release or
11 satisfaction of the lien, even though the amount of taxes, interest or
12 fees is not listed.

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

135.049. 1. Upon determining the amount of deferred taxes on
2 tax-deferred property for the tax year, the director shall pay to the
3 respective county tax collectors an amount equivalent to the deferred
4 taxes less two percent thereof. Payment shall be made from the
5 account established pursuant to section 135.083.

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

9 3. If only a portion of taxes are deferred pursuant to section
10 135.065, the director shall pay the portion that is eligible for deferral
11 to the tax collector and shall provide a separate notice to the county
12 assessor stating the amount of property taxes that the director is
13 paying.

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

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

7 (2) Show the total amount of deferred taxes remaining unpaid

8 since initial application for deferral and the interest accruing therein
9 to November fifteenth of the current year;

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

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

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

20 3. Any taxpayer who meets the requirements of section 135.039
21 and whose homestead meets the requirements of section 135.041 who
22 have not deferred their property tax for the preceding calendar year
23 and who have deferred in prior years shall be permitted to file the
24 application required by section 135.043 until January thirtieth of the
25 following calendar year.

135.053. 1. At the time that the taxpayer elects to defer property
2 taxes pursuant to sections 135.037 to 135.083, the director of revenue
3 shall estimate the amount of property taxes that will be deferred for
4 tax years beginning on or after January 1, 2008, and interest
5 thereon. Thereafter, the director shall have a lien in the amount of the
6 estimate.

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

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

16 4. If during the period of tax deferment, the amount of taxes,
17 interest and fees exceeds the estimate, the director shall have a lien for
18 the amount of the excess. The liens for the excess shall attach to the
19 property on January first of the tax year in which the excess

20 occurs. The lien for the excess shall have the same priority as other
21 real property tax liens, except that the lien of mortgages, trust deeds
22 or security interests recorded or noted on any certificate of title prior
23 in time to the date that the director records an amendment to its
24 estimate to reflect its lien for the excess shall be prior to the lien for
25 the excess.

26 5. Notwithstanding the provisions of section 135.047, the notice
27 of lien for deferred taxes recorded as provided in section 135.047
28 arising on or after January 1, 2008, shall list the amount of the estimate
29 of deferred taxes, interest and fees made by the director pursuant to
30 subsection 1 of this section and any amendment to the notice to reflect
31 a lien for excess, as described pursuant to subsection 4 of this section,
32 shall list the amount of the excess that the director claims as lien.

33 6. A lien created pursuant to this section may be foreclosed by
34 the director pursuant to the law relating to foreclosure in civil suits or
35 any other collection methods given the director of revenue. The court
36 may award reasonable attorney fees to the prevailing party in a
37 foreclosure action pursuant to this section.

38 7. Receipts from foreclosure proceedings shall be credited in the
39 same manner as other repayments of deferred property taxes pursuant
40 to section 135.083.

41 8. By means of voluntary payment made as provided pursuant to
42 section 135.067, the taxpayer may limit the amount of the lien for
43 deferred taxes created pursuant to this section. If the taxpayer desires
44 that the limit be reflected in the records of the county, the taxpayer
45 must request, subject to any rules adopted by the director, that the
46 director cause a partial satisfaction of the lien to be recorded in the
47 county. Upon receipt of such a request, the director shall cause a
48 partial satisfaction, in the amount of the voluntary payment, to be so
49 recorded. Nothing in this subsection shall affect the priority of the
50 liens of the director, as originally created pursuant to subsections 1
51 and 4 of this section.

52 9. Nothing in this section shall affect any lien arising pursuant
53 to sections 135.037 to 135.083 for taxes assessed before January 1, 2008.

135.059. Subject to section 135.063, all deferred property taxes,
2 including accrued interest, become payable as provided in section
3 135.061 when:

4 (1) The taxpayer who claimed deferment of collection of property
5 taxes on the homestead dies or, if there was more than one claimant,
6 the survivor of the taxpayers who originally claimed deferment of
7 collection of property taxes pursuant to section 135.039 dies;

8 (2) Except as provided in section 135.057, the property with
9 respect to which deferment of collection of taxes is claimed is sold, or
10 a contract to sell is entered into, or some person other than the
11 taxpayer who claimed the deferment becomes the owner of the
12 property;

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

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

 135.061. 1. Whenever any of the circumstances listed in section
2 135.059 occurs:

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

5 (2) The amounts of deferred property taxes, including accrued
6 interest, for all years shall be due and payable on the date of closing or
7 the date of probate to the director of revenue, except as provided in
8 subsection 3 of this section, section 135.063 and section 135.075.

9 2. Notwithstanding the provisions of subsection 1 of this section
10 and section 135.075, when the circumstances listed in subdivision (4) of
11 section 135.059 occur, the amount of deferred taxes shall be due and
12 payable five days before the date of removal of the property from the
13 state.

14 3. If the amounts falling due as provided in this section are not
15 paid on the indicated due date, or as extended pursuant to section
16 135.075 such amounts shall be deemed delinquent as of that date and
17 the property shall be subject to foreclosure as provided in section
18 135.053.

 135.063. 1. Notwithstanding the provisions of section 135.059,
2 when one of the circumstances listed in section 135.059 occurs, the
3 spouse who was not eligible to or did not file a claim jointly with the
4 taxpayer may continue the property in its deferred tax status by filing

5 a claim within the time and in the manner provided pursuant to section
6 135.039 if:

7 (1) The spouse of the taxpayer is or will be sixty years of age or
8 older not later than six months from the day the circumstance listed in
9 section 135.059 occurs; and

10 (2) The property is the homestead of the spouse of the taxpayer
11 and meets the requirements of subsection 2 of section 135.041.

12 2. A spouse who does not meet the age requirements of
13 subsection 1 of this section but is otherwise qualified to continue the
14 property in its tax-deferred status pursuant to subsection 1 of this
15 section may continue the deferral of property taxes deferred for
16 previous years by filing a claim within the time and in the manner
17 provided pursuant to section 135.039. If a spouse eligible for and
18 continuing the deferral of taxes previously deferred pursuant to this
19 subsection becomes sixty-two years of age prior to October fifteenth of
20 any year, the spouse may elect to continue the deferral of previous
21 years' taxes deferred pursuant to this subsection and may elect to defer
22 the current assessment year's taxes on the homestead by filing a claim
23 within the time and in the manner provided pursuant to section
24 135.039. Thereafter, payment of the taxes levied on the homestead and
25 deferred pursuant to this subsection and payment of taxes levied on the
26 homestead in the current assessment year and in future years may be
27 deferred in the manner provided in and subject to sections 135.037 to
28 135.083.

29 3. Notwithstanding that section 135.039 requires that a claim be
30 filed no later than October fifteenth, if the director of revenue
31 determines that good and sufficient cause exists for the failure of a
32 spouse to file a claim pursuant to this section on or before October
33 fifteenth, the claim may be filed within one hundred eighty days after
34 notice of taxes due and payable pursuant to section 135.037 is mailed
35 or delivered by the director to the taxpayer or spouse.

135.065. 1. Notwithstanding the provisions of section 135.039 or
2 any other provision of sections 135.037 to 135.083, if the individual or,
3 in the case of two or more individuals electing to defer property taxes
4 jointly, all of the individuals together, or the spouse who has filed a
5 claim pursuant to section 135.063, has household income that exceeds
6 the maximum upper limit for the tax year that began in the previous

7 calendar year, then for the tax year next beginning, the amount of taxes
8 for which deferral is allowed shall be reduced by fifty cents for each
9 dollar of household income in excess of the maximum upper limit or if
10 that income exceeds the maximum upper limit by a factor of two, the
11 property taxes shall not be deferred.

12 2. Prior to December first of each year, the director of revenue
13 shall review returns filed pursuant to chapter 143, RSMo, to determine
14 if subsection 1 of this section is applicable for a homestead for the tax
15 year next beginning. If subsection 1 of this section is applicable, the
16 director shall notify by mail the taxpayer or spouse electing deferral,
17 and the taxes otherwise to be deferred for the tax year next beginning
18 shall be reduced as provided in subsection 1 of this section or, if
19 household income in excess of the maximum upper limit exceeds the
20 maximum upper limit by a factor of two, the property taxes shall not be
21 deferred.

22 3. If the taxpayer or spouse does not file a return for purposes
23 of chapter 143, RSMo, and the director has reason to believe that the
24 federal adjusted gross income of the taxpayer or spouse exceeds the
25 maximum upper limit for the tax year that began in the previous
26 calendar year, the director shall notify by mail the taxpayer or spouse
27 electing deferral. If, within thirty days after the notice is mailed, the
28 taxpayer or spouse does not file a return pursuant to chapter 143,
29 RSMo, or otherwise satisfy the director that household income does not
30 exceed the maximum upper limit, the director shall again notify the
31 taxpayer or spouse, and the taxes otherwise to be deferred for the tax
32 year next beginning shall not be deferred.

33 4. Nothing in this section shall affect the continued deferral of
34 taxes that have been deferred for tax years beginning prior to the tax
35 year next beginning or the right to deferral of taxes for a tax year
36 beginning after the tax year next beginning if subsection 1 of this
37 section is not applicable for that tax year for the homestead.

38 5. If, after an initial determination pursuant to this section has
39 been made by the director, upon audit or examination or otherwise, it
40 is discovered that the taxpayer or spouse had household income in
41 excess of the limitation provided pursuant to subsection 1 of this
42 section, the director shall determine the amount of taxes deferred that
43 should not have been deferred and give notice to the taxpayer or

44 spouse of the amount of taxes that should not have been deferred. The
45 provisions of chapter 143, RSMo, shall apply to a determination of the
46 director pursuant to this section in the same manner as those
47 provisions are applicable to an income tax deficiency. The amount of
48 deferred taxes that should not have been deferred shall bear interest
49 from the date paid by the director until paid at the rate of six percent.
50 A deficiency shall not be assessed pursuant to this section if notice
51 required pursuant to this section is not given to the taxpayer or spouse
52 within three years after the date that the director has paid the deferred
53 taxes to the county. Upon payment of the amount assessed as
54 deficiency, and interest, the department shall execute a release in the
55 amount of the payment and the release shall be conclusive evidence of
56 the removal and extinguishment of the lien pursuant to sections 135.037
57 to 135.083 to the extent of the payment.

58 6. If, after an initial determination pursuant to this section has
59 been made by the director, upon claim for refund, audit or examination
60 or otherwise, it is discovered that the taxpayer or spouse had
61 household income in the amount of or less than the limitation provided
62 pursuant to subsection 1 of this section, the director shall determine
63 the amount of taxes deferred that should have been deferred and give
64 notice to the taxpayer or spouse of the amount of taxes that should
65 have been deferred. The provisions of chapter 143, RSMo, shall apply
66 to a determination of the director pursuant to this section in the same
67 manner as those provisions are applicable to an income tax
68 refund. The amount of the taxes that should have been deferred shall
69 bear interest from the date paid by the taxpayer to the county at the
70 rate established by the director of the department of revenue for
71 refunds until paid. Claim for refund pursuant to this subsection must
72 be filed within three years after the earliest date that the taxpayer or
73 spouse is notified by the director that the taxes are not deferred.

74 7. This section applies to all tax-deferred property,
75 notwithstanding that election to defer taxes is made pursuant to
76 sections 135.037 to 135.083 before or after January 1, 2008.

135.066. If a taxpayer has been precluded from deferring any
2 portion of their property tax due to their household income exceeding
3 the maximum upper limit, that person or persons may qualify for a
4 deferral of the amount of property tax which has increased on their

5 homestead since January first in the year after their sixty-second
6 birthday. Such deferral shall be subject to the provisions of sections
7 135.037 to 135.083 as if it were a deferral pursuant to section 135.039.

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

3 2. Subject to subsection 3 of this section, all or part of the
4 deferred taxes and accrued interest may at any time be paid to the
5 director by:

6 (1) The taxpayer or the spouse of the taxpayer;

7 (2) The next of kin of the taxpayer, heir at law of the taxpayer,
8 child of the taxpayer or any person having or claiming a legal or
9 equitable interest in the property.

10 3. A person listed in subdivision (2) of subsection 2 of this
11 section may make such payments only if no objection is made by the
12 taxpayer within thirty days after the director deposits in the mail
13 notice to the taxpayer of the fact that such payment has been tendered.

14 4. Any payment made pursuant to this section shall be applied
15 first against accrued interest and any remainder against the deferred
16 taxes. Such payment does not affect the deferred tax status of the
17 property. Unless otherwise provided by law, such payment does not
18 give the person paying the taxes any interest in the property or any
19 claim against the estate, in the absence of a valid agreement to the
20 contrary.

21 5. When the deferred taxes and accrued interest are paid in full
22 and the property is no longer subject to deferral, the director shall
23 prepare and record in the county in which the property is located a
24 satisfaction of deferred property tax lien.

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

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

135.075. 1. The director of revenue may extend the time for
2 payment of the deferred taxes and interest accruing with respect to the

3 taxes becoming due and payable pursuant to subsection 2 of section
4 135.061 if:

5 (1) The taxpayer who claimed homestead property tax deferral
6 dies, or if a spouse who continued the deferral pursuant to section
7 135.063 dies;

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

10 (a) By inheritance or devise; or

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

14 (3) The individual or individuals commence occupancy of the
15 property as a principal residence on or before February fifteenth of the
16 calendar year following the calendar year of death; and

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

21 2. (1) Subject to subdivision (2) of this subsection, an extension
22 granted pursuant to this section shall be for a period not to exceed five
23 years after February fifteenth of the calendar year following the
24 calendar year of death. The terms and conditions under which the
25 extension is granted shall be in accordance with a written agreement
26 entered into by the director and the individual or individuals.

27 (2) An extension granted pursuant to this section shall terminate
28 immediately if:

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

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

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

35 3. If the director has reason to believe that the homestead
36 property is not sufficient security for the deferred taxes and interest,
37 the director may require the individual or individuals to furnish a bond
38 conditioned upon payment of the amount extended in accordance with
39 the terms of the extension. The bond shall not exceed an amount

40 **double the taxes with respect to which tax extension is granted.**

41 **4. During the period of extension, and until paid, the deferred**
42 **taxes shall continue to accrue interest in the same manner and at the**
43 **same rate as provided pursuant to subsection 3 of section 135.045. No**
44 **interest shall accrue upon interest.**

45 **5. When any taxpayer who claimed homestead property tax**
46 **deferral dies, the spouse, heirs and devisees, as defined pursuant to**
47 **section 472.010, RSMo, shall notify in writing the director of revenue of**
48 **the taxpayer's death.**

135.077. Nothing in sections 135.037 to 135.083 is intended to or
2 **shall be construed to:**

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

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

7 **(3) Affect any provision of any mortgage or other instrument**
8 **relating to land requiring a person to pay property taxes.**

135.079. After August 28, 2007, it shall be unlawful for any
2 **mortgage trust deed or land sale contract to contain a clause or**
3 **statement which prohibits the owner from applying for the benefits of**
4 **the deferral of homestead property taxes provided in sections 135.037**
5 **to 135.083. Any such clause or statement in a mortgage trust deed or**
6 **land sale contract executed after August 28, 2007, shall be void.**

135.083. 1. There is hereby established in the state treasury the
2 **"Senior Property Tax Deferral Revolving Account" to be used by the**
3 **director of revenue for the purpose of making the payments to:**

4 **(1) County tax collectors of property taxes deferred for tax years**
5 **beginning on or after January 1, 2008, as required by section 135.049;**

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

8 **2. The funds necessary to make payments under subsection 1 of**
9 **this section shall be advanced annually to the director.**

10 **3. The senior property tax deferral revolving account may**
11 **include a reserve for payment of department administrative expenses.**

12 **4. All sums of money received by the director of revenue**
13 **pursuant to sections 135.037 to 135.083 as repayments of deferred**
14 **property taxes including the interest accrued pursuant to subsection**

15 3 of section 135.045 shall, upon receipt, be credited to the revolving
16 account and are continuously appropriated to the department for the
17 purposes of subsection 1 of this section.

18 5. If there is not sufficient money in the revolving account to
19 make the payments required by subsection 1 of this section, an amount
20 sufficient to make the required payments shall be transferred from the
21 general revenue fund to the revolving account.

22 6. When the department determines that moneys in sufficient
23 amounts are available in the revolving account, the director shall repay
24 to the general revenue fund the amounts advanced as investments
25 pursuant to subsection 2 of this section. The moneys used to repay the
26 general revenue fund pursuant to this section shall not be considered
27 as part of the calculation of total state revenue. The provisions of
28 section 33.080, RSMo, to the contrary notwithstanding, moneys in the
29 revolving account shall not lapse to general revenue.

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