

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE JOINT RESOLUTION NO. 35
98TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, March 31, 2016, with recommendation that the Senate Committee Substitute do pass.

5689S.03C

ADRIANE D. CROUSE, Secretary.

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing section 6 of article X of the Constitution of Missouri, and adopting one new section in lieu thereof relating to property taxation.

Be it resolved by the Senate, the House of Representatives concurring therein:

That at the next general election to be held in the state of Missouri, on
2 Tuesday next following the first Monday in November, 2016, or at a special
3 election to be called by the governor for that purpose, there is hereby submitted
4 to the qualified voters of this state, for adoption or rejection, the following
5 amendment to article X of the Constitution of the state of Missouri:

Section A. Section 6, article X, Constitution of Missouri, is repealed and
2 one new section adopted in lieu thereof, to be known as section 6, to read as
3 follows:

Section 6. 1. All property, real and personal, of the state, counties and
2 other political subdivisions, and nonprofit cemeteries, and all real property used
3 as a homestead as defined by law of any citizen of this state who is a former
4 prisoner of war, as defined by law, and who has a total service-connected
5 disability, shall be exempt from taxation; all personal property held as industrial
6 inventories, including raw materials, work in progress and finished work on hand,
7 by manufacturers and refiners, and all personal property held as goods, wares,
8 merchandise, stock in trade or inventory for resale by distributors, wholesalers,
9 or retail merchants or establishments shall be exempt from taxation; and all
10 property, real and personal, not held for private or corporate profit and used
11 exclusively for religious worship, for schools and colleges, for purposes purely
12 charitable, for agricultural and horticultural societies, or for veterans'

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

13 organizations may be exempted from taxation by general law. In addition to the
14 above, household goods, furniture, wearing apparel and articles of personal use
15 and adornment owned and used by a person in his home or dwelling place may
16 be exempt from taxation by general law but any such law may provide for
17 approximate restitution to the respective political subdivisions of revenues lost
18 by reason of the exemption. All laws exempting from taxation property other
19 than the property enumerated in this article, shall be void. The provisions of this
20 section exempting certain personal property of manufacturers, refiners,
21 distributors, wholesalers, and retail merchants and establishments from taxation
22 shall become effective, unless otherwise provided by law, in each county on
23 January 1 of the year in which that county completes its first general
24 reassessment as defined by law.

25 **2. Any citizen of this state who is seventy-five years of age or**
26 **older may apply to the county assessor for a property valuation**
27 **protection option on a residence used as a homestead as defined by**
28 **law. A citizen may apply for a property valuation protection option**
29 **after residing in the homestead for two years. If the residence is owned**
30 **by two or more persons, including a husband and wife, at least one of**
31 **the owners must be seventy-five years of age or older. The county**
32 **assessor shall approve all qualified property valuation protection**
33 **options. The value of the homestead shall remain fixed at the full cash**
34 **value in effect during the year the property valuation protection option**
35 **is filed for as long as the owner remains eligible. To remain eligible,**
36 **the county assessor shall require a qualifying resident to reapply for**
37 **the property valuation protection option every three years and shall**
38 **send a notice of reapplication to qualifying residents six months before**
39 **the three year reapplication requirement. If title to the property is**
40 **conveyed to any person who does not qualify for the property valuation**
41 **protection option or if the property was improved since the most recent**
42 **annual assessment by more than five percent of the prior year**
43 **appraised value, except where an eligible owner of the property has**
44 **made such improvements to accommodate a disabled person, the**
45 **property valuation protection option terminates, and the property shall**
46 **revert to its current full cash value.**

47 **3. All revenues lost because of the exemption of certain personal property**
48 **of manufacturers, refiners, distributors, wholesalers, and retail merchants and**

49 establishments shall be replaced to each taxing authority within a county from
50 a countywide tax hereby imposed on all property in subclass 3 of class 1 in each
51 county. For the year in which the exemption becomes effective, the county clerk
52 shall calculate the total revenue lost by all taxing authorities in the county and
53 extend upon all property in subclass 3 of class 1 within the county, a tax at the
54 rate necessary to produce that amount. The rate of tax levied in each county
55 according to this subsection shall not be increased above the rate first imposed
56 and will stand levied at that rate unless later reduced according to the provisions
57 of subsection **[3] 4 of this section**. The county collector shall disburse the
58 proceeds according to the revenue lost by each taxing authority because of the
59 exemption of such property in that county. Restitution of the revenues lost by
60 any taxing district contained in more than one county shall be from the several
61 counties according to the revenue lost because of the exemption of property in
62 each county. Each year after the first year the replacement tax is imposed, the
63 amount distributed to each taxing authority in a county shall be increased or
64 decreased by an amount equal to the amount resulting from the change in that
65 district's total assessed value of property in subclass 3 of class 1 at the
66 countywide replacement tax rate. In order to implement the provisions of this
67 subsection, the limits set in section 11(b) of this article may be exceeded, without
68 voter approval, if necessary to allow each county listed in section 11(b) to comply
69 with this subsection.

70 **[3.] 4.** Any increase in the tax rate imposed pursuant to subsection **[2]**
71 **3** of this section shall be decreased if such decrease is approved by a majority of
72 the voters of the county voting on such decrease. A decrease in the increased tax
73 rate imposed under subsection **[2] 3** of this section may be submitted to the voters
74 of a county by the governing body thereof upon its own order, ordinance, or
75 resolution and shall be submitted upon the petition of at least eight percent of the
76 qualified voters who voted in the immediately preceding gubernatorial election.

77 **[4.] 5.** As used in this section, the terms "revenues lost" and "lost
78 revenues" shall mean that revenue which each taxing authority received from the
79 imposition of a tangible personal property tax on all personal property held as
80 industrial inventories, including raw materials, work in progress and finished
81 work on hand, by manufacturers and refiners, and all personal property held as
82 goods, wares, merchandise, stock in trade or inventory for resale by distributors,
83 wholesalers, or retail merchants or establishments in the last full tax year
84 immediately preceding the effective date of the exemption from taxation granted

85 for such property under subsection 1 of this section, and which was no longer
86 received after such exemption became effective.

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Unofficial

Bill

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