

# SENATE BILL NO. 1535

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CARTER.

6601S.011

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to a local real property tax credit for certain disabled veterans.

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

Section A. Chapter 137, RSMo, is amended by adding thereto  
2 one new section, to be known as section 137.1053, to read as  
3 follows:

137.1053. 1. The section shall be known and may be  
2 cited as the "Missouri Disabled Veteran Homestead Tax Credit  
3 Act".

4 2. As used in this section, the following terms mean:

5 (1) "County", any county or city not within a county  
6 in this state;

7 (2) "Disability rating", the percentage of disability  
8 assigned to a disabled veteran by the United States  
9 Department of Veterans Affairs, reflecting the degree to  
10 which the veteran's disability impacts his or her ability to  
11 work and perform daily activities;

12 (3) "Disabled veteran", a Missouri resident who has  
13 been separated under honorable conditions from active  
14 service in any branch or reserve component of the Armed  
15 Forces of the United States or the National Guard of a state  
16 as defined in 32 U.S.C. Section 101, as amended, and has a  
17 service-connected disability and has received a disability

18 rating of one hundred percent permanent and total as  
19 certified by the United States Department of Veterans  
20 Affairs;

21 (4) "Eligible owner", an individual who is a disabled  
22 veteran, is the owner of record of the qualified residence  
23 or has a legal or equitable interest in a qualified  
24 residence as evidenced by a written instrument, and is  
25 liable for the payment of real property taxes on the  
26 qualified residence;

27 (5) "Homestead", the residential real property that is  
28 used as a primary residence and the adjacent real property  
29 as is reasonably necessary for use of the residence as a  
30 home dwelling;

31 (6) "Primary residence", the real property owned and  
32 occupied by an eligible owner as the principal place of  
33 residence, and not to exceed five acres of land surrounding  
34 it as is reasonably necessary for use of the dwelling as a  
35 home;

36 (7) "Qualified amount", for any eligible owner in a  
37 given tax year, the total amount of real property taxes  
38 levied and imposed on the qualified residence and shall  
39 include all ad valorem taxes levied on the qualified  
40 residence by any county or other political subdivision  
41 including, but not limited to, county levies, municipal  
42 levies, school district levies including bonded indebtedness  
43 levies, fire protection district levies, library district  
44 levies, and any other local ad valorem levy authorized by  
45 law, but shall exclude the levy imposed for the state blind  
46 pension fund;

47 (8) "Qualified residence", the homestead of an  
48 eligible owner that has a market value not to exceed five  
49 hundred thousand dollars, but less any portion of that

50 property that is used for commercial purposes. If the  
51 property, or a portion of the property, is rented out to  
52 another person for more than six months, it is presumed to  
53 be used for commercial purposes. No more than one property  
54 per qualified owner per tax year shall be claimed as a  
55 qualified residence under this section;

56 (9) "Real property tax credit", a credit against an  
57 eligible owner's liability for tax on the qualified  
58 residence that is levied and imposed by the governing body  
59 of a county or other political subdivision of this state  
60 with the power to levy and impose taxes on real property in  
61 this state.

62 3. (1) As allowed by the authority granted under  
63 Article X, Section 6(a) of the Constitution of Missouri, for  
64 all tax years beginning on or after January 1, 2027, a  
65 county may grant an annual real property tax credit, as  
66 calculated in this subsection, for the qualified residence  
67 of an eligible owner if such county adopts an order,  
68 ordinance, or resolution authorizing such real property tax  
69 credit in such county.

70 (2) The amount of a real property tax credit provided  
71 under this section shall be equal to the qualified amount of  
72 real property taxes levied and imposed on the eligible  
73 owner's qualified residence for such tax year, excluding the  
74 levy for the state blind pension fund.

75 (3) If the total market value of the dwelling and  
76 surrounding acreage does not exceed five hundred thousand  
77 dollars, ownership of additional acreage shall not  
78 disqualify an owner from eligibility under the provisions of  
79 this section.

80 4. The real property tax credit under this section  
81 carries over to the benefit of the eligible owner's

82 surviving spouse as long as the spouse holds the legal or  
83 beneficial title to the qualified residence, permanently  
84 resides therein, and does not remarry. No real property tax  
85 credit shall be allowed for the tax year in which the  
86 surviving spouse remarries, no longer holds legal or  
87 beneficial title, or relocates to a different primary  
88 residence.

89 5. Real property tax credits issued under the  
90 provisions of this section shall not be refundable. No real  
91 property tax credit claimed under this section shall be  
92 carried forward to any subsequent tax year. The real  
93 property tax credit allowed under this section shall not be  
94 transferred, assigned, sold, or otherwise conveyed, except  
95 as provided under this section.

96 6. Real property tax credits authorized under the  
97 provisions of this section shall not reduce assessed  
98 valuation and shall not be construed as an exemption from  
99 real property taxes. The security for any bonded  
100 indebtedness based on assessed valuation shall remain intact.

101 7. An eligible owner who receives a real property tax  
102 credit granted under this section shall not be eligible for  
103 any other real property tax relief, the property tax credits  
104 under sections 135.010 to 135.035, or any other tax credits  
105 relating to the eligible owner's qualified residence under  
106 this chapter or chapter 135.

107 8. Participation in the program under this section is  
108 optional as follows:

109 (1) Any county may, by a majority affirmative vote of  
110 the governing body of such county, opt in to the provisions  
111 of this section for the next year of the general  
112 reassessment, prior to January first of any year;

113           (2) If the county opts in to the provisions of this  
114 section, participation in this program for an eligible owner  
115 is also optional. An eligible owner electing to participate  
116 in the provisions under this section may opt in by notifying  
117 the local collector's office or other entity of such  
118 election to request a real property tax credit; and

119           (3) The governing body of the county may, by a  
120 majority affirmative vote, opt to rescind and cease the real  
121 property tax credit program authorized under this section  
122 and previously adopted by the governing body, for the next  
123 year of the general reassessment, prior to January first of  
124 any year. Any rescission shall be prospective only and  
125 shall affect real property tax credits previously applied.

126           9. The governing body of the county may adopt  
127 reasonable procedures and promulgate ordinances, rules, and  
128 regulations in order to implement and administer the  
129 provisions of this section.

130           10. The assessor's office, collector's office, or  
131 other entity designated by rule, regulation, or ordinance  
132 shall administer the real property tax credit allowed under  
133 this section in the same manner as the tax credit authorized  
134 under section 137.1050 and shall be subject to similar  
135 application, verification, and renewal procedures as adopted  
136 by such county, if applicable. Eligibility determinations  
137 shall be made in accordance with guidelines established by  
138 this section and any additional local rules or regulations.

139           11. For the purposes of calculating property tax  
140 levies under section 137.073, and for all other laws  
141 prescribing the distribution or allocation of property tax  
142 revenues, the total amount of real property tax credits  
143 authorized under this section shall be considered tax

144 revenue actually received by the county or other political  
145 subdivision.

146       12. A real property tax credit granted under this  
147 section shall not affect the process of setting the tax rate  
148 as required under Article X, Section 22 of the Constitution  
149 of Missouri and section 137.073 in any prior, current, or  
150 subsequent tax year.

151       13. Nothing in this section shall impair the  
152 obligation of any contract, reduce or restrict the taxing  
153 authority of any political subdivision, or alter the  
154 calculation of assessed valuation for the purposes of bonded  
155 indebtedness.

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