

SECOND REGULAR SESSION

SENATE BILL NO. 1535

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CARTER.

6601S.01I

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

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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