

HOUSE BILL NO. 1856

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BUSICK.

3624H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 137.1050, RSMo, and to enact in lieu thereof one new section relating to local homestead tax credits.

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

Section A. Section 137.1050, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.1050, to read as follows:

137.1050. 1. For the purposes of this section, the following terms shall mean:

(1) **"County real property tax credit", a credit against a taxpayer's liability for a tax on the taxpayer's homestead that is levied and imposed by the governing body of a county to provide revenue for the county's annual expenditures under the county budget law as provided in sections 50.525 to 50.745;**

(2) "Eligible credit amount", the difference between an eligible taxpayer's **county or political subdivision** real property tax liability on such taxpayer's homestead, **as applicable**, for a given tax year, minus the **county or political subdivision** real property tax liability on such homestead, **as applicable**, in the year that the taxpayer became an eligible taxpayer;

~~(2)~~ (3) "Eligible taxpayer", a Missouri resident who:

(a) Is eligible for Social Security retirement benefits;

(b) Is an owner of record of a homestead or has a legal or equitable interest in such property as evidenced by a written instrument; and

(c) Is liable for the payment of real property taxes on such homestead;

~~(3)~~ (4) "Homestead", real property actually occupied by an eligible taxpayer as the primary residence. An eligible taxpayer shall not claim more than one primary residence;

(5) **"Political subdivision", a local public entity that:**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 18 **(a) Is not a county;**
19 **(b) Is created by the Constitution of the state of Missouri or the general**
20 **assembly;**
21 **(c) Exercises governmental functions; and**
22 **(d) Has the power to levy and impose taxes on real property;**
23 **(6) "Political subdivision real property tax credit", a credit against a taxpayer's**
24 **liability for a tax on the taxpayer's homestead that is levied and imposed by the**
25 **governing body of a political subdivision to provide revenue for the political**
26 **subdivision's annual expenditures under state law.**

27 2. **(1) The governing body of any county authorized to impose a real property tax**
28 **upon an eligible taxpayer's homestead may grant a county real property tax credit to**
29 **eligible taxpayers residing in a homestead located within such county, subject to the**
30 **following:**

31 **(a) To grant the tax credit, the governing body of the county shall adopt an order**
32 **or ordinance granting the tax credit;**

33 **(b) The tax credit shall be in an amount equal to the taxpayer's eligible credit**
34 **amount[~~-, provided that:~~**

35 ~~(1) Such county adopts an ordinance authorizing such credit; or];~~

36 **(c) No county shall grant the tax credit for a taxpayer's county real property tax**
37 **liability occurring in a tax year before the tax year in which the governing body of the**
38 **county adopts an order or ordinance granting the tax credit;**

39 **(d) No county shall grant the tax credit for a taxpayer's county real property tax**
40 **liability occurring in a tax year before the tax year in which such taxpayer fulfilled all**
41 **requirements for being an eligible taxpayer under this section; and**

42 **(e) A county shall grant the tax credit only for current real property taxes**
43 **assessed against a taxpayer's homestead in the current tax year.**

44 **(2) Subdivision (1) of this subsection shall not be construed to authorize:**

45 **(a) A political subdivision to grant a county real property tax credit; or**

46 **(b) The governing body of a county to grant a political subdivision real property**
47 **tax credit for a tax liability created by any other political subdivision's authority to levy**
48 **and impose a real property tax on real property located in such county.**

49 ~~[(2) (a) A petition in support of a referendum on such a credit is signed by at least~~
50 ~~five percent of the registered voters of such county voting in the last gubernatorial election~~
51 ~~and the petition is delivered to the governing body of the county, which shall subsequently~~
52 ~~hold a referendum on such credit.~~

53 ~~(b) The ballot of submission for the question submitted to the voters pursuant to~~
54 ~~paragraph (a) of this subdivision shall be in substantially the following form:]~~

55 ~~[Shall the County of _____ exempt senior citizens from~~
 56 ~~increases in the property tax liability due on such senior citizens'~~
 57 ~~primary residence?]~~

58 ~~[YES-]~~ ~~[NO-]~~

59
 60 ~~[If a majority of the votes cast on the proposal by the qualified voters voting thereon are in~~
 61 ~~favor of the proposal, then the credit shall be in effect.]~~

62 **3. (1) The governing body of any political subdivision authorized to impose a**
 63 **real property tax upon an eligible taxpayer's homestead may grant a political**
 64 **subdivision real property tax credit to eligible taxpayers residing in a homestead**
 65 **located within in such political subdivision, subject to the following:**

66 **(a) To grant the tax credit, the governing body of the political subdivision shall:**

67 **a. Receive a petition, signed by the required number of registered voters under**
 68 **subdivision (3) of this subsection, requesting the political subdivision's governing body**
 69 **to grant the tax credit;**

70 **b. Adopt an order or ordinance granting the tax credit; and**

71 **c. Submit the order or ordinance to the voters under subdivision (3) of this**
 72 **subsection;**

73 **(b) The tax credit shall be in an amount equal to the taxpayer's eligible credit**
 74 **amount;**

75 **(c) No political subdivision shall grant the tax credit for a taxpayer's political**
 76 **subdivision real property tax liability occurring in a tax year before the tax year in**
 77 **which the voters of the political subdivision approve the order or ordinance granting the**
 78 **tax credit;**

79 **(d) No political subdivision shall grant the tax credit for a taxpayer's political**
 80 **subdivision real property tax liability occurring in a tax year before the tax year in**
 81 **which such taxpayer fulfilled all requirements for being an eligible taxpayer under this**
 82 **section; and**

83 **(e) A political subdivision shall grant the tax credit only for current real**
 84 **property taxes assessed against a taxpayer's homestead in the current tax year.**

85 **(2) Subdivision (1) of this subsection shall not be construed to authorize:**

86 **(a) A county to grant a political subdivision real property tax credit under this**
 87 **section; or**

88 **(b) The governing body of a political subdivision to grant a county real property**
 89 **tax credit for a tax liability created by a county's authority to levy and impose a real**
 90 **property tax on real property located in such political subdivision.**

91 **(3) (a) If the governing body of a political subdivision receives a petition, signed**
92 **by at least ten percent of the number of registered voters of the political subdivision**
93 **voting in the last election for a member of the governing body, calling for the governing**
94 **body of the political subdivision to grant a political subdivision real property tax credit**
95 **under this section, the governing body shall adopt an order or ordinance granting the**
96 **tax credit at the next regularly scheduled meeting of the governing body.**

97 **(b) The order or ordinance shall not become effective unless the governing body**
98 **submits to the registered voters residing within the political subdivision at a general**
99 **municipal election or a state general, primary, or special election a proposal to authorize**
100 **the governing body to grant the tax credit under this section.**

101 **(c) The question submitted shall be in substantially the following form: "Shall**
102 **the _____ (insert political subdivision name) grant a property tax credit against the**
103 **real property taxes imposed on an eligible taxpayer's homestead?"**.

104 **(d) If a majority of the registered voters of the political subdivision voting on the**
105 **question approve the grant of the tax credit, the order or ordinance adopted by the**
106 **political subdivision shall become effective. If a majority of the registered voters of the**
107 **political subdivision voting on the question reject the grant of the tax credit, the order or**
108 **ordinance adopted by the political subdivision shall not become effective.**

109 **4. A county or political subdivision granting [~~an exemption~~] a tax credit pursuant to**
110 **this section shall apply such [~~exemption~~] tax credit when calculating the eligible taxpayer's**
111 **property tax liability for the tax year. The amount of the tax credit shall be noted on the**
112 **statement of tax due sent to the eligible taxpayer by the county collector.**

113 **[4-] 5. For the purposes of calculating property tax levies pursuant to section 137.073,**
114 **the total amount of tax credits authorized by a county or political subdivision pursuant to**
115 **this section shall be considered tax revenue, as such term is defined in section 137.073,**
116 **actually received by the county or political subdivision.**

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