HOUSE BILL NO. 2729

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARINGER.

5296H.01I   DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 139, RSMo, by adding thereto one new section relating to local property
tax work-off programs.

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

Section A. Chapter 139, RSMo, is amended by adding thereto one new section, to be
2 known as section 139.025, to read as follows:

139.025. 1. As used in this section, the following terms mean:

2 **(1) "Homestead", the residential real property actually used and occupied as the**
3 **primary residence of a taxpayer, provided that such residential real property is not**
4 **income producing;**

5 **(2) "Property tax work-off program", any program established under the**
6 **provisions of this section;**

7 **(3) "Qualified taxpayer", an individual who:**

8 **(a) Has attained the age of sixty-five years of age or older on or before the last**
9 **day of the calendar year for which the real property taxes on the homestead are owed;**

10 **(b) Has been a resident of the taxing entity for a period of at least one year and is**
11 **still a current resident as of the date of application for the property tax work-off**
12 **program;**

13 **(c) Is living on a low, fixed income and mostly or entirely dependent on fixed**
14 **payments from sources including, but not limited to, Social Security disability or**
15 **retirement benefits, Supplemental Security Income (SSI), or state disability benefits,**
16 **pensions, or retirement savings;**

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.

17   **(d) Is the owner of record of the homestead or has a legal or equitable interest in**
18 **the homestead as evidenced by a written instrument; and**
19   **(e) Is liable for the payment of real property taxes on the homestead;**
20   **(4) "Taxing entity", any county, city, town, municipality, school district, political**
21 **subdivision, or special district within the state that levies and collects real property**
22 **taxes.**
23   **2.   Any taxing entity may establish a property tax work-off program in**
24 **accordance with this section that allows a qualified taxpayer to perform temporary**
25 **volunteer work for the taxing entity, or for any public entity receiving or using revenue**
26 **generated by the real property taxes levied and collected by such taxing entity, in lieu of**
27 **the payment of any real property taxes, or any portion thereof, due and owing on the**
28 **homestead of such qualified taxpayer for any given property tax year.**
29   **3. A qualified taxpayer participating in such program shall be compensated at**
30 **the hourly Missouri minimum wage rate in effect at the time of participation. The**
31 **amount of the property tax abatement that a qualified taxpayer may earn shall not**
32 **exceed one thousand dollars or the total amount of real property tax owed on the**
33 **qualified taxpayer's homestead for the tax year that the abatement is to be applied to,**
34 **whichever is less. The governing body of the taxing entity may increase the cap under**
35 **this section at its discretion, provided any increase is submitted to the voters.**
36   **4. The number of hours of work to be performed by a qualified taxpayer under**
37 **any property tax work-off program shall be based upon the calculation of the amount of**
38 **property taxes, or portion thereof, to be worked off divided by the state minimum wage,**
39 **and subject to the cap described under subsection 3 of this section.**
40   **5.   A taxing entity may by ordinance establish procedures and additional**
41 **standards of eligibility for a program adopted under this section.**
42   **6. A property tax work-off program shall be created upon the adoption of an**
43 **ordinance by the governing body of such taxing entity. Such ordinance shall be in**
44 **accordance with the provisions of this section and shall include, but not be limited to, the**
45 **following:**
46   **(1) Procedures and deadlines for application and participation in such property**
47 **tax work-off program and any required documentation to sufficiently prove eligibility**
48 **and skills necessary for such program;**
49   **(2) The maximum number of taxpayers allowed to participate in such property**
50 **tax work-off program, if applicable;**
51   **(3) Procedures for verification and record keeping of the work performed, hours**
52 **of service, and the total amount by which the real property tax owed has been reduced;**

53   **(4) Procedures for the crediting of the amount of a qualified taxpayer's property**
54 **tax abatement towards such taxpayer's real property taxes; and**
55   **(5) Any other provisions that such taxing entity deems reasonable and necessary**
56 **for the implementation and operation of such property tax work-off program.**
57   **7. Any taxing entity that establishes a property tax work-off program under the**
58 **provisions of this section shall make information regarding such program available to**
59 **the taxpayers of the taxing entity.**
60   **8. Participation in a property tax work-off program and earnings under such**
61 **program by any qualified taxpayer as a property tax abatement of any portion of such**
62 **taxpayer's property taxes shall not affect the taxpayer's right to protest the amount of**
63 **such tax payments under applicable provisions of law.**
64   **9. A qualified taxpayer who participates in a property tax work-off program**
65 **established under the provisions of this section shall be considered an employee for the**
66 **purposes of chapter 287.**
67   **10. Except as provided under subsection 9 of this section, the real property tax**
68 **abatement amount earned by a qualified taxpayer under a property tax work-off**
69 **program in exchange for the provision of services shall not be considered income, wages,**
70 **compensation, earnings, or employment for the purposes of chapter 143, chapter 288, or**
71 **any other applicable provisions of law and shall not constitute Missouri taxable income**
72 **to the qualified taxpayer.**
73   **11. A taxing entity may by ordinance promulgate rules, establish procedures,**
74 **and additional standards of eligibility for a program adopted under this section.**

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