

FIRST REGULAR SESSION

HOUSE BILL NO. 593

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SAULS.

0982H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to property tax exemptions for certain 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 one new section, to be
2 known as section 137.109, to read as follows:

3 **137.109. 1. This section shall be known and may be cited as the "Missouri**
4 **Disabled Veterans Homestead Exemption".**

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

6 **(1) "Department", the department of revenue;**

7 **(2) "Homestead", the same meaning given to such term under section 135.010;**

8 **(3) "Qualified residence", real property used as a homestead, but less any**
9 **portion of that property that is used for commercial purposes, with an equalized**
10 **assessed value of less than \$250,000 that is the primary residence of a veteran with a**
11 **disability. Property rented for more than 6 months is presumed to be used for**

12 **commercial purposes;**
13 **(4) "Surviving spouse", the surviving spouse of a veteran who:**

14 **(a) Obtained an exemption under this section prior to his or her death;**

15 **(b) Was killed in the line of duty at any time prior to the expiration of the**
16 **application period in effect for the exemption for the tax year in which the exemption is**
17 **sought;**

18 **(c) Did not obtain an exemption under this section before death, but who would**
19 **have qualified for the exemption under this section in the tax year for which the**

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 exemption is sought if he or she had survived, and whose spouse has been a resident of
19 Missouri from the time of the veteran's death through the tax year for which the
20 exemption is sought; or

21 (d) Died and whose death was determined to be service-connected but who
22 would not otherwise qualify under paragraphs (a), (b), or (c) of this subdivision, if the
23 spouse:

24 a. Is certified by the United States Department of Veterans Affairs as a recipient
25 of dependency and indemnity compensation under federal law at any time prior to the
26 expiration of the application period in effect for the exemption for the tax year for which
27 the exemption is sought; and

28 b. Remains eligible for that dependency and indemnity compensation as of
29 January first of the tax year for which the exemption is sought;

30 (5) "Veteran with a disability" or "veteran with a service-connected disability",
31 a Missouri resident who has served as a member of the United States Armed Forces on
32 active duty or state active duty, a member of the Missouri National Guard, or a member
33 the United States Reserve Forces and who has received an honorable discharge and
34 who:

35 (a) Has a service-connected disability as certified by the United States
36 Department of Veterans Affairs;

37 (b) Is liable for paying property taxes on the qualified residence; and

38 (c) Is an owner of record of the qualified residence which is occupied as his or
39 her principal residence and for that he or she is liable for the payment of property taxes.

40 3. In addition to all other exemptions authorized under Article X, Section 6 of
41 the Constitution of the state of Missouri or otherwise authorized by law, and as
42 authorized under Article X, Section 6(a) of the Constitution of the state of Missouri, for
43 all tax years beginning on or after January 1, 2024, an annual exemption is granted for
44 property that is used as a qualified residence by a veteran with a disability, limited to the
45 amounts set forth as follows:

46 (1) For veterans with a service-connected disability of thirty percent or more but
47 less than fifty percent, as certified by the United States Department of Veterans Affairs,
48 the annual exemption is two thousand five hundred dollars;

49 (2) For veterans with a service-connected disability of fifty percent or more but
50 less than seventy percent, as certified by the United States Department of Veterans
51 Affairs, the annual exemption is five thousand dollars;

52 (3) For veterans with a service-connected disability of seventy percent or more,
53 as certified by the United States Department of Veterans Affairs, the annual exemption
54 is equal to one hundred percent of the tax assessed on the qualified residence; and

55 **(4) For a taxpayer who is the surviving spouse of a veteran whose death was**
56 **determined to be service-connected and who is certified by the United States**
57 **Department of Veterans Affairs as a recipient of dependency and indemnity**
58 **compensation under federal law, the annual exemption is equal to one hundred**
59 **percent of the tax assessed on the qualified residence.**

60 **4. If an exemption is granted under this section and the person awarded the**
61 **exemption subsequently becomes a resident of a facility licensed under chapter 198, a**
62 **Missouri veterans' home as defined under section 42.002, or a facility operated by the**
63 **United States Department of Veterans Affairs, the exemption shall continue:**

64 **(1) If the residence continues to be occupied by the qualifying person's spouse;**
65 **or**

66 **(2) If the residence remains unoccupied but is still owned by the person who**
67 **qualified for the exemption.**

68 **5. The exemption under this section carries over to the benefit of the veteran's**
69 **surviving spouse as long as the spouse holds the legal or beneficial title to the qualified**
70 **residence, permanently resides therein, and does not remarry. If the surviving spouse**
71 **sells the property, an exemption not to exceed the amount granted from the most recent**
72 **ad valorem tax roll may be transferred to his or her new residence as long as it is used as**
73 **his or her primary residence and he or she does not remarry. No exemption shall be**
74 **allowed for the tax year in which the surviving spouse remarries.**

75 **6. The exemption and determination of eligibility under this section applies for**
76 **tax years beginning on or after January 1, 2024. The claim for an exemption shall not**
77 **be transferred or assigned, except as provided for under this section.**

78 **7. (1) Except as otherwise provided in this subsection, each taxpayer who has**
79 **been granted an exemption under this section shall reapply on an annual basis. A**
80 **taxpayer shall apply for the exemption by filing an application during the application**
81 **period in effect for the county of his or her residence. The assessor or chief county**
82 **assessment officer may determine the eligibility of residential property to receive the**
83 **exemption provided by this section by application, visual inspection, questionnaire, or**
84 **other reasonable methods. The determination shall be made in accordance with**
85 **guidelines established by the department. If a veteran has a combined service-**
86 **connected disability rating of one hundred percent and is deemed to be permanently**
87 **and totally disabled, as certified by the United States Department of Veterans Affairs,**
88 **the taxpayer who has been granted an exemption under this section shall no longer be**
89 **required to reapply for the exemption on an annual basis, and the exemption shall be in**
90 **effect for as long as the exemption would otherwise be permitted under this section.**

91 **(2) If the person qualifying for the exemption does not occupy the qualified**
92 **residence as of January first of the tax year, the exemption granted under this section**
93 **shall be prorated on a monthly basis. The prorated exemption shall apply beginning**
94 **with the first complete month in which the person occupies the qualified residence.**

95 **8. The exemption granted under this section shall not affect the process of setting**
96 **the tax rate as required under Article X, Section 22 of the Constitution of the state of**
97 **Missouri and section 137.073 in any prior, current, or subsequent tax year.**

98 **9. The department may promulgate all necessary rules and regulations for the**
99 **administration of this section. Any rule or portion of a rule, as that term is defined in**
100 **section 536.010, that is created under the authority delegated in this section shall**
101 **become effective only if it complies with and is subject to all of the provisions of chapter**
102 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
103 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
104 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
105 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
106 **adopted after August 28, 2023, shall be invalid and void.**

107 **10. No rule promulgated by the department shall in any way adversely impact,**
108 **interrupt, or interfere with the performance of the required statutory duties of any**
109 **county elected official including, but not limited to, the county collector, when**
110 **performing such duties as deemed necessary for the purposes of this section and the**
111 **distribution of all other real and personal property taxes.**

112 **11. Under section 23.253 of the Missouri sunset act:**

113 **(1) The provisions of this section shall automatically sunset six years after the**
114 **effective date of this section unless reauthorized by an act of the general assembly;**

115 **(2) If the provisions of this section are reauthorized, such provisions shall**
116 **automatically sunset twelve years after the effective date of the reauthorization; and**

117 **(3) This section shall terminate on January first of the calendar year**
118 **immediately following the calendar year in which the provisions of this section are**
119 **sunset.**

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