

ORDINANCE
OF THE CLAY COUNTY COMMISSION
CLAY COUNTY, MISSOURI

2023-ORD-XX

SENATE BILL 190 SENIOR PROPERTY TAX CREDIT

WHEREAS, the Missouri General Assembly passed and the Governor signed Senate Bill 190 (SB190), becoming law on August 28th, 2023; and

WHEREAS, the newly enacted Revised Statute of Missouri (RSMo) 137.1050.2(1) specifically enables counties to adopt an ordinance authorizing a homestead property tax credit for eligible senior citizen taxpayers of retirement age; and

WHEREAS, the stated intent from sponsoring lawmakers is for SB190 to apply to property taxes from all jurisdictions within counties and for all those of retirement age; and

WHEREAS, Clay County assessed valuation for residential real estate grew an approximate 39% from 2019 to 2023 alone; and

WHEREAS, Census data indicates at least 15% of Clay County's population of 257,033 residents at July 1, 2022 is of retirement age with a housing owner-occupancy rate of 67.5%; and

WHEREAS, assessment information shows senior-occupied households to be approximately 14-20% of some 80,000 residential parcels in the County, while residential real estate represents about 60% of total assessed valuation; and

WHEREAS, RSMo 137.073.2 limits tax increases for local governments from real property reassessments every odd-numbered year to 5% at most, which implies a Countywide fiscal impact of a less than 1% freeze on revenue growth as a percentage of total collections; and

WHEREAS, the County Commission seeks to provide tax relief to seniors on fixed incomes so that they can remain in their homes earned from a life of work;

NOW THEREFORE BE IT ORDAINED THAT: the following be adopted by this Commission on this date as a lawful ordinance of this County, the provisions of which shall be effective as of January 1st, 2025:

SECTION 38.06 – SENIOR PROPERTY TAX CREDIT

(A) *Scope.* The following limitations shall restrict the Clay County Senior Property Tax Credit as follows:

- (1) The Clay County Senior Property Tax Credit shall not apply to property tax levies for bonded debt obligations, pursuant to Missouri Constitution Article X, Sections 11(e) and 22.
- (2) The Clay County Senior Property Tax Credit shall further not apply to the State Blind Pension Fund authorized by Missouri Constitution Article III, Section 38(b).
- (3) This Ordinance does not allow for refunds or retroactive credits based on property taxes already paid or due before the effective date of January 1st, 2025.

(B) *Definitions.* For the purposes of this section, the following terms shall mean:

(1) “*Eligible credit amount,*” the difference between an eligible taxpayer's real property tax liability on such taxpayer's homestead for a given tax year, minus the real property tax liability on such homestead in the year prior that the taxpayer became an eligible taxpayer.

(a) In years where the tax liability should decline below that of the eligibility year, there will be no negative credit and the lowered amount will be due; and

(b) When the tax liability then increases back above the base eligible year amount, the base eligible year tax liability will be used for purposes of calculating the credit, rather than any previous decreased amount;

(2) “*Base year,*” the year prior to becoming an eligible taxpayer and making application for the senior property tax credit.

(3) “*Eligible taxpayer,*” a Clay County, Missouri resident who:

(a) Starting at any time in the calendar year 2025 and thereafter, has reached the eligible age for “old-age insurance benefits” of at least 62 years old as defined for Social Security in 42 U.S.C. § 415; and

(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;

(4) “*Homestead,*” residential real property actually occupied by an eligible taxpayer as the primary residence. An eligible taxpayer shall not claim more than one primary residence.

(a) Real property shall not qualify as a homestead if:

(1) The real property has been assessed and taxed pursuant to Section 38.01 of the Clay County Ordinances (Ord. 94-15, passed 12-12-94) and Section 137.082 RSMo in the year that the taxpayer became an eligible taxpayer; or,

(2) More than 50% of the real property is leased to a person, or persons, other than the eligible taxpayer.

- (3) One or more years of delinquent taxes have accrued from a tax liability in prior years on the real property and remain outstanding on the date a taxpayer makes an application under Subsection (E).
 - (5) “*Property Tax Credit*,” the eligible credit amount due to an eligible taxpayer on the current real estate tax liability of an eligible taxpayer’s homestead.
- (C) *Property Tax Credit*. An eligible taxpayer is authorized to receive a property tax credit upon the submission and approval of an annual application by the eligible taxpayer. The County Collector shall apply an eligible credit amount when calculating an eligible taxpayer’s total annual tax liability on the eligible taxpayer’s homestead.
- (D) *Tax Statement*. The eligible credit amount shall be noted on the statement of tax due sent to the eligible taxpayer by the County Collector.
- (E) *Application*. The property tax credit shall be requested for each year by a taxpayer in writing on a form approved by the County Administrator.
- (1) *Completion*. The taxpayer shall complete all sections of the form required to be completed by the taxpayer before submitting it to the County Clerk between January 1st and March 31st of any tax year, beginning in 2025.
 - (2) *False Declaration*. The form shall state that false statements made therein are punishable pursuant to Section 575.060.1(1)(b) RSMo.
 - (3) *Documentation*. Any taxpayer submitting such form shall also provide along with the completed form a valid form of government identification. If the taxpayer is not listed as the record owner by the Assessor in the year in which the taxpayer submits the application then the taxpayer shall attach a copy of the written instrument which shows a legal or equitable interest in the homestead.
- (F) *Procedural*. County staff shall be authorized and empowered to adopt such rules and procedures as are necessary in order to carry out and implement the provisions of this Ordinance and to develop and require such documents, applications, and instruments as may be necessary or desirable to permit the application of the tax credits authorized herein and to carry out, comply with, and perform the requirements of the provisions set forth in this Ordinance.
- (G) *Revenue*. For the purposes of calculating property tax levies pursuant to Section 137.073 RSMo, the total amount of credits authorized pursuant to this section shall be considered tax revenue, as such term is defined in Section 137.073 RSMo, actually received by the county
- (H) *Termination*. The property tax credit shall terminate in the tax year following the year in which the eligible taxpayer ceases to be eligible under any requirement in Subsection (B). Subject to the foregoing, an eligible taxpayer shall cease to be eligible for the property tax credit if any of the following events occurs:
- (1) *Transfer of Title*. If the property tax credit was claimed by a taxpayer as the owner of record title, then a transfer of record title to the homestead shall terminate the taxpayer’s eligibility for the property tax credit.

(2) *For Property Interests in a Written Instrument.* If property tax credit was claimed pursuant to a legal or equitable property interest in a written instrument and such written instrument included a term of years, then the property tax credit will terminate the year which follows the completion of the term listed in the instrument.

(3) *Failure to submit an annual application.*

- (I) *Confidential Information.* Any information submitted on the application form under this section, or any documentation submitted along with the application, which lists the taxpayer's social security number, is personal identifying information and is confidential under Section 7 of the Privacy Act of 1974, Public Law 93-579, 88 Stat 1896 (note to 5 U.S.C. § 522a) and shall not be disclosed except where required by law.
- (J) *Severability.* If any section, subsection, paragraph, sentence, clause, phrase or word in this section, policy and/or chapter, or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of any of the remaining portions of this section, policy and/or chapter, or any part thereof.
- (K) *Amendment.* The County reserves the right to amend this Ordinance at any time, pursuant to RSMo 137.1050.2(1). Should the Missouri General Assembly modify RSMo 137.1050 in future legislative sessions, the County retains the ability to incorporate those changes into this Ordinance.

BE IT ORDERED BY THE COUNTY COMMISSION OF CLAY COUNTY, MISSOURI that the above Ordinance is hereby approved.

Adopted by the County Commission of Clay County, Missouri this _____ day of _____, 2023

APPROVED AS TO FORM & LEGALITY

County Counselor

On behalf of Clay County, Missouri
Presiding Commissioner, Jerry Nolte

ATTEST:

County Clerk

By: _____