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FOR IMMEDIATE RELEASE

Date: December 26, 2024

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Johnson County, Missouri, Senior Real Estate Tax Credit: Questions and Answers

WARRENSBURG, MO — As Johnson County continues to evaluate the implementation of the Senior Real Estate Tax Credit authorized by Senate Bill 190 (2023) and Senate Bill 756 (2024) (RSMo. 137.1050), residents and stakeholders may have questions about how the process will work, its potential impact, and the steps involved. To provide clarity and transparency, the County has compiled answers to frequently asked questions regarding the status of the Senior Real Estate Tax Credit, its implementation requirements, and the potential effects on taxpayers and local districts. This information is intended to keep the public informed and outline the considerations the County is addressing as it navigates this legislation.

Q: What is the status of implementing the Senior Real Estate Tax Credit?

Johnson County Elected Officials are working to understand Senate Bill 190 (2023) and Senate Bill 756 (2024). This includes reviewing other ordinances and application processes from other Missouri counties to adopt best practices for implementation.

At this time, no petition has been received by the Johnson County Commission to place the Senior Real Estate Tax Credit question on the ballot. The County Commission has not yet adopted an ordinance to implement the Senior Real Estate Tax Credit. They also have not decided whether to adopt the ordinance themselves or to wait for a petition and place the question on a ballot.

Q: Why isn't the Senior Real Estate Tax Credit reflected on property tax bills yet?

The Senior Real Estate Tax Credit cannot be implemented unless it is adopted by a Commission ordinance or approved by voters through a ballot question. Currently, the County's assessment and tax software also lacks the ability to calculate and display the credit, but the Assessor and Collector are collaborating with the software vendor to address this issue.

Q: How can voters initiate the Senior Real Estate Tax Credit question being placed on the ballot?

Residents can submit a petition to the County Commission to place the Senior Real Estate Tax Credit question on the ballot. The petition must be signed by at least five percent (5%) of the registered voters who voted in the last gubernatorial election. If such a petition is delivered and verified, the Commission would then take steps to place the question before voters in an upcoming election.

Q: What would the ballot language be?

Shall the County of _____ exempt senior citizens aged 62 and older from increases in the property tax liability due on such seniors citizens' primary residence? YES NO

Q: Has the County done anything recently to provide tax relief to residents?

Yes, in August 2024, the County Commission implemented a tax rollback to provide immediate relief to taxpayers. The General Revenue levy was reduced from 0.1085 to 0.0900 cents per \$100 of assessed valuation, and the Road and Bridge levy was reduced from 0.2363 to 0.2000 cents per \$100. This decision lowered county levies by 0.0548 cents across the board, offering savings to all property owners, including homeowners, businesses, and agricultural properties, regardless of age. These savings are already reflected in the 2023 property tax bills that are paid in 2024.

Q: What are the next steps?

The County Commission continues to evaluate the best course of action regarding the Senior Real Estate Tax Credit. They have not yet decided whether to adopt an ordinance implementing the credit themselves or place the question on a ballot. If a verified petition is submitted by residents, or if the Commission opts to take further action, any planned meetings for discussion or consideration will be posted on the Commission's agendas to ensure transparency and public engagement.

If the Senior Real Estate Tax Credit would be implemented in Johnson County, Missouri below are some follow up questions:

Q: How will districts be impacted?

If the Senior Real Estate Tax Credit is implemented, taxing districts within Johnson County—such as cities, schools, ambulance districts, fire districts, libraries, and other entities funded by property taxes—will likely see reduced revenue, as eligible seniors would receive a credit that offsets a portion of their tax bills. This could impact the districts' budgets and potentially require adjustments to maintain services.

Q: What additional costs will there be to the county?

Beyond the costs of software updates, implementing the Senior Real Estate Tax Credit may result in increased administrative costs for staffing, training, and processing Senior Real Estate Tax Credit applications. The County may also need to allocate resources for outreach efforts to inform eligible seniors about the credit and assist them with the application process. If the question is placed on the ballot for voter decision, there would be election costs.

Additionally, the County will likely bear ongoing costs related to verifying eligibility, managing appeals, and updating tax records annually to account for changes in property ownership or eligibility status. The full scope of costs is unknown and will depend on the number of applicants and the complexity of implementation.

Q: If the Senior Real Estate Tax Credit is implemented, who will qualify for the tax credit?

An eligible taxpayer is defined as a Johnson County, Missouri resident who:

- Is sixty-two (62) years of age or older; and
- 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
- Is liable for the payment of real property taxes on such homestead.

Q: What is a 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. Credit does not apply to agricultural or commercial property.

Q: If I am an eligible taxpayer, would I automatically be enrolled?

No. Participation in the Senior Real Estate Tax Credit is voluntary, so an application will be required and will require an annual renewal application.

Q: If I am an eligible taxpayer, how much will my credit be each year?

The credit amount will be different for each homestead. The amount of taxes a property owner pays in the initial credit year will be their fixed amount going forward, EXCEPT: the tax amount may increase if improvements are made to the property OR a tax payer fails to reapply each year. The credit will be calculated as follows:

Taxpayer's homestead real property tax liability for a given tax year

- Real Property Tax Liability from Initial Credit Year on the Homestead

Eligible Credit (see below for tax liabilities not eligible for the Senior Real Estate Tax Credit)

Q: If I am an eligible taxpayer, what would the tax credit not apply to?

- Agricultural Property
- Commercial Property
- Personal Property
- New Construction and Improvements: If a taxpayer makes improvements or builds new structures on their home, their property tax will be increased for the year they first qualify for the credit, based on the added value from those improvements.
- Annexation into a New Taxing Area: If a taxpayer's home is added to a new area that charges property taxes (where the taxpayer didn't previously pay taxes), their property tax for the year they first qualify for the credit will increase to include the tax owed to the new area.
- Ad Valorem Levies: State Blind Pension Fund and levies related to any and all voter-approved bond indebtedness from any taxing entity.

Q: If I am an eligible taxpayer, what happens if an annual renewal application is not completed and approved?

After an initial credit year has been established, if a renewal application is not completed and approved, the Senior Real Estate Tax Credit would no longer be applied. In the event an application is completed and approved in the future, a new initial credit year will be established.

For more information on the Senior Real Estate Tax Credit in Johnson County, please contact the Commissioner's Office at 660-747-2112 or CountyCommissioners@jocomo.gov