

FIRST REGULAR SESSION

HOUSE BILL NO. 261

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRANZ.

1019L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 140.150, 140.190, 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405, and 140.420, RSMo, and to enact in lieu thereof ten new sections relating to collection of delinquent taxes.

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

Section A. Sections 140.150, 140.190, 140.230, 140.250, 140.260, 140.290, 140.310, 2 140.340, 140.405, and 140.420, RSMo, are repealed and ten new sections enacted in lieu thereof, 3 to be known as sections 140.150, 140.190, 140.230, 140.250, 140.260, 140.290, 140.310, 4 140.340, 140.405, and 140.420, to read as follows:

140.150. 1. All lands, lots, mineral rights, and royalty interests on which taxes or 2 neighborhood improvement district special assessments are delinquent and unpaid are subject 3 to sale to discharge the lien for the delinquent and unpaid taxes or unpaid special assessments 4 as provided for in this chapter on the fourth Monday in August of each year.

5 2. No real property, lots, mineral rights, or royalty interests shall be sold for state, county 6 or city taxes or special assessments without judicial proceedings, unless the notice of sale 7 contains the names of all record owners thereof, or the names of all owners appearing on the land 8 tax book and all other information required by law. Delinquent taxes or unpaid special 9 assessments, penalty, interest and costs due thereon may be paid to the county collector at any 10 time before the property is sold therefor. **The collector shall send notices to the publicly 11 recorded owner of record before any delinquent and unpaid taxes or unpaid special 12 assessments as specified in this section subject to sale are published. The first notice shall 13 be by first class mail, and the second notice shall be by certified mail. If the certified mail 14 is returned to the collector unsigned, then notice shall be sent before the sale by first class**

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.

15 **mail to both the owner of record and the occupant of the real property at least fifteen days**
16 **before the fourth Monday in August. The postage for the mailing of the notices shall be**
17 **paid by the county commission. The failure of the taxpayer or the publicly recorded owner**
18 **to receive the notice provided for in this section shall not relieve the taxpayer or publicly**
19 **recorded owner of any tax liability imposed by law.**

20 3. The entry in the back tax book by the county clerk of the delinquent lands, lots,
21 mineral rights, and royalty interests constitutes a levy upon the delinquent lands, lots, mineral
22 rights, and royalty interests for the purpose of enforcing the lien of delinquent and unpaid taxes
23 or unpaid special assessments as provided in section 67.469, RSMo, together with penalty,
24 interest and costs.

140.190. 1. On the day mentioned in the notice, the county collector shall commence
2 the sale of such lands, and shall continue the same from day to day until each parcel assessed or
3 belonging to each person assessed shall be sold as will pay the taxes, interest and charges
4 thereon, or chargeable to such person in said county.

5 2. The person offering at said sale to pay the required sum for a tract shall be considered
6 the purchaser of such land; provided, no sale shall be made to any person who is currently
7 delinquent on any tax payments on any property, other than a delinquency on the property being
8 offered for sale, and who does not sign an affidavit stating such at the time of sale. Failure to
9 sign such affidavit as well as signing a false affidavit may invalidate such sale. No bid shall be
10 received from any person not a resident of the state of Missouri [until such person] **or a foreign**
11 **corporation or entity all deemed nonresidents. A nonresident** shall file with said collector
12 an agreement in writing consenting to the jurisdiction of the circuit court of the county in which
13 such sale shall be made, and also filing with such collector an appointment of some citizen of
14 said county as agent [of said purchaser], and consenting that service of process on such agent
15 shall give such court jurisdiction to try and determine any suit growing out of or connected with
16 such sale for taxes. **After the delinquent auction sale, any certificate of purchase shall be**
17 **issued to the agent. After meeting the requirements of section 140.405, the property shall**
18 **be conveyed to the agent on behalf of the nonresident, and the agent shall thereafter convey**
19 **the property to the nonresident.**

20 3. All such written consents to jurisdiction and selective appointments shall be preserved
21 by the county collector and shall be binding upon any person or corporation claiming under the
22 person consenting to jurisdiction and making the appointment herein referred to; provided
23 further, that in the event of the death, disability or refusal to act of the person appointed as agent
24 of said nonresident purchaser the county clerk shall become the appointee as agent of said
25 nonresident purchaser.

140.230. 1. When real estate has been sold for taxes or other debt by the sheriff or collector of any county within the state of Missouri, and the same sells for a greater amount than the debt or taxes and all costs in the case it shall be the duty of the sheriff or collector of the county, when such sale has been or may hereafter be made, to make a written statement describing each parcel or tract of land sold by him for a greater amount than the debt or taxes and all costs in the case together with the amount of surplus money in each case. The statement shall be subscribed and sworn to by the sheriff or collector making it before some officer competent to administer oaths within this state, and then presented to the county commission of the county where the sale has been or may be made; and on the approval of the statement by the commission, the sheriff or collector making the same shall pay the surplus money into the county treasury, take the receipt in duplicate of the treasurer for the overplus of money and retain one of the duplicate receipts himself and file the other with the county commission, and thereupon the commission shall charge the treasurer with the amount.

2. The treasurer shall place such moneys **in the county treasury to be held for the use and benefit of the person entitled to such moneys or** to the credit of the school fund of the county, to be held in trust for the term of three years for the **publicly recorded** owner or owners **of the property sold at the delinquent land tax auction** or their legal representatives. At the end of three years, if such fund shall not be called for, then it shall become a permanent school fund of the county.

3. County commissions shall compel owners or agents to make satisfactory proof of their claims before receiving their money; provided, that no county shall pay interest to the claimant of any such fund.

140.250. 1. Whenever any lands have been or shall hereafter be offered for sale for delinquent taxes, interest, penalty and costs by the collector of the proper county for any two successive years and no person shall have bid therefor a sum equal to the delinquent taxes thereon, interest, penalty and costs provided by law, then such county collector shall at the next regular tax sale of lands for delinquent taxes sell same to the highest bidder, **except the highest bid shall not be less than the sum equal to the delinquent taxes, interest, penalties, and costs**, and there shall be a ninety-day period of redemption from such sales as specified in section 140.405.

2. [No] **A** certificate of purchase shall issue as to such sales, **[but] and** the purchaser at such sales shall be entitled to the issuance and delivery of a collector's deed upon completion of title search action as specified in section 140.405.

3. If any lands or lots are not sold at such third offering, then the collector, in his discretion, need not again advertise or offer such lands or lots for sale more often than once every

14 five years after the third offering of such lands or lots, and such offering shall toll the operation
15 of any applicable statute of limitations.

16 4. A purchaser at any sale subsequent to the third offering of any land or lots, **whether**
17 **by the collector or a trustee as provided in section 140.260**, shall be entitled to the immediate
18 issuance and delivery of a collector's deed and there shall be no period of redemption from such
19 sales **after the third offering**; provided, however, before any purchaser at a sale to which this
20 section is applicable shall be entitled to a collector's deed it shall be the duty of the collector to
21 demand, and the purchaser to pay, in addition to his bid, all taxes due and unpaid on such lands
22 or lots that become due and payable on such lands or lots subsequent to the date of the taxes
23 included in such advertisement and sale. **The collector's deed or trustee's deed shall have**
24 **priority over all other liens or encumbrances on the property sold except for real property**
25 **taxes or federal liens.**

26 5. In the event the real purchaser at any sale to which this section is applicable shall be
27 the owner of the lands or lots purchased, or shall be obligated to pay the taxes for the
28 nonpayment of which such lands or lots were sold, then no collector's deed shall issue to such
29 purchaser, or to anyone acting for or on behalf of such purchaser, without payment to the
30 collector of such additional amount as will discharge in full all delinquent taxes, penalty, interest
31 and costs.

140.260. 1. It shall be lawful for the county commission of any county, and the
2 comptroller, mayor and president of the board of assessors of the city of St. Louis, to designate
3 and appoint a suitable person or persons with discretionary authority to bid at all sales to which
4 section 140.250 is applicable, and to purchase at such sales all lands or lots necessary to protect
5 all taxes due and owing and prevent their loss to the taxing authorities involved from inadequate
6 bids.

7 2. Such person or persons so designated are hereby declared as to such purchases and
8 as titleholders pursuant to collector's deeds issued on such purchases, to be trustees for the
9 benefit of all funds entitled to participate in the taxes against all such lands or lots so sold.

10 3. Such person or persons so designated shall not be required to pay the amount bid on
11 any such purchase but the collector's deed issuing on such purchase shall recite the delinquent
12 taxes for which said lands or lots were sold, the amount due each respective taxing authority
13 involved, and that the grantee in such deed or deeds holds title as trustee for the use and benefit
14 of the fund or funds entitled to the payment of the taxes for which said lands or lots were sold.

15 4. The costs of all collectors' deeds, the recording of same and the advertisement of such
16 lands or lots shall be paid out of the county treasury in the respective counties and such fund as
17 may be designated therefor by the authorities of the city of St. Louis.

18 5. All lands or lots so purchased shall be sold and deeds ordered executed and delivered
19 by such trustees upon order of the county commission of the respective counties and the
20 comptroller, mayor and president of the board of assessors of the city of St. Louis, and the
21 proceeds of such sales shall be applied, first, to the payment of the costs incurred and advanced,
22 and the balance shall be distributed pro rata to the funds entitled to receive the taxes on the lands
23 or lots so disposed of, **and then any excess proceeds shall be distributed to the county**
24 **treasurer to be held for the use and benefit of the person or persons entitled to such**
25 **proceeds or to the credit of the school fund of the county, to be held in trust for three years**
26 **for the publicly recorded owner or owners of the property sold at the delinquent land tax**
27 **auction or their legal representatives. At the end of three years, if such proceeds shall not**
28 **be called for, then the proceeds shall become permanent in the school fund of the county.**

29 6. Upon appointment of any such person or persons to act as trustee as herein designated
30 a certified copy of the order making such appointment shall be delivered to the collector, and if
31 such authority be revoked a certified copy of the revoking order shall also be delivered to the
32 collector.

33 7. Compensation to trustees as herein designated shall be payable solely from proceeds
34 derived from the sale of lands purchased by them as such trustees and shall be fixed by the
35 authorities herein designated, but not in excess of ten percent of the price for which any such
36 lands and lots are sold by the trustees; provided further, that if at any such sale any person bid
37 a sufficient amount to pay in full all delinquent taxes, penalties, interest and costs, then the
38 trustees herein designated shall be without authority to further bid on any such land or lots. **If**
39 **a third party is a successful bidder and there are excess proceeds, such proceeds shall be**
40 **distributed as provided in subsection 5 of this section.**

41 8. If the county commission of any county does not designate and appoint a suitable
42 person or persons as trustee or trustees, so appointed, or the trustee or trustees do not accept
43 property after the third offering where no sale occurred then it shall be at the discretion of the
44 collector to sell such land subsequent to the third offering of such land and lots at any time and
45 for any amount.

140.290. 1. After payment shall have been made the county collector shall give the
2 purchaser a certificate in writing, to be designated as a certificate of purchase, which shall carry
3 a numerical number and which shall describe the land so purchased, each tract or lot separately
4 stated, the total amount of the tax, with penalty, interest and costs, and the year or years of
5 delinquency for which said lands or lots were sold, separately stated, and the aggregate of all
6 such taxes, penalty, interest and costs, and the sum bid on each tract.

7 2. If the purchaser bid for any tract or lot of land a sum in excess of the delinquent tax,
8 penalty, interest and costs for which said tract or lot of land was sold, such excess sum shall also

9 be noted in the certificate of purchase, in a separate column to be provided therefor. Such
10 certificate of purchase shall also recite the name and address of the owner or reputed owner if
11 known, and if unknown then the party or parties to whom each tract or lot of land was assessed,
12 together with the address of such party, if known, and shall also have incorporated therein the
13 name and address of the purchaser. Such certificate of purchase shall also contain the true date
14 of the sale and the time when the purchaser will be entitled to a deed for said land, if not
15 redeemed as in this chapter provided, and the rate of interest that such certificate of purchase
16 shall bear, which rate of interest shall not exceed the sum of ten percent per annum. Such
17 certificate shall be authenticated by the county collector, who shall record the same in a
18 permanent record book in his office before delivery to the purchaser.

19 3. Such certificate shall be assignable, but no assignment thereof shall be valid unless
20 endorsed on such certificate and acknowledged before some officer authorized to take
21 acknowledgment of deeds and an entry of such assignment entered in the record of said
22 certificate of purchase in the office of the county collector.

23 4. For each certificate of purchase issued, including the recording of the same, the county
24 collector shall be entitled to receive and retain a fee of fifty cents, to be paid by the purchaser and
25 treated as a part of the cost of the sale, and so noted on the certificate. For noting any assignment
26 of any certificate the county collector shall be entitled to a fee of twenty-five cents, to be paid
27 by the person requesting such recital of assignment, and which shall not be treated as a part of
28 the cost of the sale. **For each certificate of purchase issued, as a part of the cost of the sale,
29 the purchaser shall pay to the collector the fee necessary to record such certificate of
30 purchase in the office of the county recorder. The collector shall record the certificate of
31 purchase before delivering such certificate of purchase to the purchaser.**

32 5. No collector shall be authorized to issue a certificate of purchase to any nonresident
33 of the state of Missouri or to enter a recital of any assignment of such certificate upon his record
34 to a nonresident of the state, until such purchaser or assignee of such purchaser, as the case may
35 be, shall have complied with the provisions of section 140.190 pertaining to nonresident
36 purchasers.

37 **6. This section shall not apply to any post-third year tax sale.**

140.310. 1. The purchaser of any tract or lot of land at sale for delinquent taxes,
2 homesteads excepted, shall at any time after one year from the date of sale be entitled to the
3 immediate possession of the premises so purchased during the redemption period provided for
4 in this law, unless sooner redeemed; provided, however, any owner or occupant of any tract or
5 lot of land purchased may retain possession of said premises by making a written assignment of,
6 or agreement to pay, rent certain or estimated to accrue during such redemption period or so

7 much thereof as shall be sufficient to discharge the bid of the purchaser with interest thereon as
8 provided in the certificate of purchase.

9 2. The purchaser, his heirs or assigns, may enforce his rights under said written
10 assignment or agreement in any manner now authorized or hereafter authorized by law for the
11 collection of delinquent and unpaid rent; provided further, nothing herein contained shall
12 operate to the prejudice of any owner not in default and whose interest in the tract or lot of land
13 is not encumbered by the certificate of purchase, nor shall it prejudice the rights of any occupant
14 of any tract or lot of land not liable to pay taxes thereon nor such occupant's interest in any
15 planted, growing or unharvested crop thereon.

16 3. Any additions or improvements made to any tract or lot of land by any occupant
17 thereof, as tenant or otherwise, and made prior to such tax sale, which such occupant would be
18 permitted to detach and remove from the land under his contract of occupancy shall also, to the
19 same extent, be removable against the purchaser, his heirs or assigns.

20 4. Any rent collected by the purchaser, his heirs or assigns, shall operate as a payment
21 upon the amount due the holder of such certificate of purchase, and such amount or amounts,
22 together with the date paid and by whom shall be endorsed as a credit upon said certificate, and
23 which said sums shall be taken into consideration in the redemption of such land, as provided
24 for in this chapter.

25 5. Any purchaser, heirs or assigns, in possession within the period of redemption against
26 whom rights of redemption are exercised shall be protected in the value of any planted, growing
27 and/or unharvested crop on the lands redeemed in the same manner as such purchaser, heirs or
28 assigns would be protected in valuable and lasting improvements made upon said lands after the
29 period of redemption and referred to in section 140.360.

30 **6. The one-year redemption period shall not apply to third year tax sales, but the**
31 **ninety-day redemption period as provided in section 140.405 shall apply to such sales.**
32 **There shall be no redemption period for a post-third year tax sale, or any offering**
33 **thereafter.**

140.340. 1. The owner or occupant of any land or lot sold for taxes, or any other persons
2 having an interest therein, may redeem the same at any time during the one year next ensuing,
3 in the following manner: by paying to the county collector, for the use of the purchaser, his heirs
4 or assigns, the full sum of the purchase money named in his certificate of purchase and all the
5 cost of the sale, **including the cost to record the certificate of purchase as required in section**
6 **140.290, the fee necessary to record the release of such certificate of purchase, and the cost**
7 **of the title search and certified mailings of notification required in sections 140.150 to**
8 **140.405,** together with interest at the rate specified in such certificate, not to exceed ten percent
9 annually, except on a sum paid by a purchaser in excess of the delinquent taxes due plus costs

10 of the sale, no interest shall be owing on the excess amount, with all subsequent taxes which
11 have been paid thereon by the purchaser, his heirs or assigns, with interest at the rate of eight
12 percent per annum on such taxes subsequently paid, and in addition thereto the person redeeming
13 any land shall pay the costs incident to entry of recital of such redemption. **The collector shall**
14 **record the release of the certificate of purchase at the time the owner of record redeems**
15 **such tax sale property within the time period for redemption.**

16 2. Upon deposit with the county collector of the amount necessary to redeem as herein
17 provided, it shall be the duty of the county collector to mail to the purchaser, his heirs or assigns,
18 at the last post office address if known, and if not known, then to the address of the purchaser
19 as shown in the record of the certificate of purchase, notice of such deposit for redemption.

20 3. Such notice, given as herein provided, shall stop payment to the purchaser, his heirs
21 or assigns, of any further interest or penalty.

22 4. In case the party purchasing said land, his heirs or assigns, fails to take a tax deed for
23 the land so purchased within six months after the expiration of the one year next following the
24 date of sale, no interest shall be charged or collected from the redemptioner after that time.

140.405. Any person purchasing property at a delinquent land tax auction shall not
2 acquire the deed to the real estate, as provided for in section 140.420, until the [person]
3 **purchaser** meets [with the following requirement or until such person makes affidavit that a title
4 search has revealed no publicly recorded deed of trust, mortgage, lease, lien or claim on the real
5 estate] **the requirements of this section.** [At least] **The purchaser shall obtain a title search**
6 **from a licensed attorney, abstract, or title company** ninety days prior to the date when a
7 purchaser is authorized to acquire the deed[.]. **Such title search shall be declared invalid if**
8 **obtained more than thirty days preceding such ninety-day period, except that no ninety-**
9 **day notice is required for post-third year tax sales as provided in subsection 4 of section**
10 **140.250.** The purchaser shall notify any person who holds a publicly recorded deed of trust,
11 mortgage, lease, lien or claim upon that real estate of the latter person's right to redeem such
12 person's publicly recorded security or claim. Notice shall be sent by certified mail to any such
13 person, including one who was the publicly recorded owner of the property sold at the delinquent
14 land tax auction previous to such sale, at such person's last known available address. **Under the**
15 **requirements of this section, the first day of the ninety-day period before the date the**
16 **purchaser is authorized to acquire the deed shall be established on the day the purchaser**
17 **provides the collector with an original affidavit specifying that the required title search is**
18 **complete, a copy of the title search, and copies of the certified mail notices and the mail**
19 **certifications and receipts. Such deed shall not be acquired before the expiration date of**
20 **the redemption period as provided in section 140.340.** Failure of the purchaser to comply
21 with this provision shall result in such purchaser's loss of all interest in the real estate. **Any such**

22 **publicly recorded owner of the property sold at the delinquent land tax auction desiring**
23 **to transact or transfer ownership of such property, or execute any additional liens or**
24 **encumbrances on the property, after the delinquent land tax auction, shall first redeem**
25 **such property under section 140.340. Failure of the publicly recorded owner of the**
26 **property to comply with this provision shall result in such owner's reimbursement to the**
27 **purchaser for all the cost of the sale, including the cost for recording the certificate of**
28 **purchase under section 140.290, the fee necessary to record the release of such certificate**
29 **of purchase, the cost of the title search and certified mail notifications required in sections**
30 **140.150 to 140.405, and interest at the rate specified in the certificate of purchase, not to**
31 **exceed ten percent annually, and such owner shall make further reimbursement for any**
32 **taxes that the purchaser may have paid plus eight percent interest on such taxes.** If any real
33 estate is purchased at a third-offering tax auction and has a publicly recorded deed of trust,
34 mortgage, lease, lien or claim upon the real estate, the purchaser of said property at a
35 third-offering tax auction shall notify anyone with a publicly recorded deed of trust, mortgage,
36 lease, lien or claim upon the real estate pursuant to this section **within forty-five days after the**
37 **purchase at the collector's sale.** Once the purchaser has [notified] **provided** the county
38 collector [by affidavit that proper notice has been given] **the documents required under this**
39 **section,** anyone with a publicly recorded deed of trust, mortgage, lease, lien or claim upon the
40 property shall have ninety days to redeem said property or be forever barred from redeeming said
41 property, **except that no notice is required for post-third year tax sales as provided in**
42 **subsection 4 of section 140.250.** If the county collector chooses to have the title search done
43 then the county collector must comply with all provisions of this section, and may charge the
44 purchaser the cost of the title search before giving the purchaser a deed pursuant to section
45 140.420.

140.420. If no person shall redeem the lands sold for taxes, **if redemption is allowed,**
2 within one year [from the sale] **or within the ninety-day notice as specified in section 140.405**
3 **for a third-year tax sale,** at the expiration thereof, and on production of certificate of purchase,
4 the collector of the county in which the sale of such lands took place shall execute to the
5 purchaser, his heirs or assigns, in the name of the state, a conveyance of the real estate so sold,
6 which shall vest in the grantee an absolute estate in fee simple, subject, however, to all claims
7 thereon for unpaid taxes except such unpaid taxes existing at time of the purchase of said lands
8 and the lien for which taxes was inferior to the lien for taxes for which said tract or lot of land
9 was sold.

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