

SECOND REGULAR SESSION

HOUSE BILL NO. 1658

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE TORPEY.

5190H.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 139, RSMo, by adding thereto one new section relating to the assignment of property tax liens.

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 139.054, to read as follows:

3 **139.054. 1. Any property owner in any city not within a county, county with a**
4 **charter form of government and with more than nine hundred fifty thousand inhabitants,**
5 **county with a charter form of government and with more than six hundred thousand but**
6 **fewer than seven hundred thousand inhabitants, county with a charter form of government**
7 **and with more than two hundred thousand but fewer than three hundred fifty thousand**
8 **inhabitants, or county of the first classification with more than two hundred thousand but**
9 **fewer than two hundred sixty thousand inhabitants and who does not have a pre-existing**
10 **escrow account for payment of property taxes established with the holder or servicer of a**
11 **mortgage lien on the owner's real property may authorize the assignment of a lien for**
12 **taxes, special assessments, penalties, interest, and costs on the owner's real property to a**
13 **third party who shall be a lien assignee under this section in exchange for the assignee's**
14 **payment of all amounts due and owing by the property owner to the collector relating to**
15 **the lien.**

16 **2. The collector of the county shall issue a receipt, in the form and with the content**
required by subsection 12 of this section, to an assignee on the owner's real property to the
assignee upon receipt of the following:

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 **(1) The property owner's written authorization of the assignment of the tax lien to**
18 **the assignee;**

19 **(2) Payment in the amount of taxes and special assessments due on the property,**
20 **including any penalties, interest, and other costs;**

21 **(3) A fee of up to twenty-five dollars as set by the collector of the county for**
22 **processing the payment and issuing the receipt; and**

23 **(4) Proof of the assignee's registration as described in subsection 10 of this section.**

24 **3. The owner and assignee may enter into a payment agreement for all amounts**
25 **secured by the tax lien, including:**

26 **(1) The amounts paid by the assignee for the assignment;**

27 **(2) All reasonable and necessary transaction costs and fees incurred by the**
28 **assignee;**

29 **(3) Interest of no more than sixteen percent per annum on the amounts paid for the**
30 **assignment of the lien and reasonable transaction costs and fees, except that such interest**
31 **shall be no more than twelve percent per annum on those amounts for a property owner**
32 **who is sixty-five years of age or older as of the date of the assignment; and**

33 **(4) All reasonable and necessary costs and fees incurred by the assignee to enforce**
34 **or collect on the agreement.**

35 **4. (1) The assignee shall cause to be recorded in the office of the county recorder**
36 **a copy of the receipt issued by the tax collector under subsection 2 of this section. Such**
37 **receipt shall be indexed by the recorder under the name of the property owner as grantor**
38 **and the name of the assignee as grantee. Upon such recordation, the tax lien shall be**
39 **deemed lawfully assigned to the assignee, and such recorded receipt shall serve as prima**
40 **facie evidence of the collector's receipt of all items required under subsection 2 of this**
41 **section, the validity of the assignment, and the priority of the assigned lien. The assigned**
42 **tax lien shall retain its priority as a first lien for general taxes under section 141.250, and**
43 **the date of the assignment shall not affect the lien's priority.**

44 **(2) Within twenty business days of the satisfaction of all obligations arising under**
45 **an assignment agreement, the assignee shall cause to be recorded a release of the tax lien**
46 **with the office of the county recorder, and the assignee shall provide written notification**
47 **of the release of the tax lien to the property owner. Any such release shall be indexed by**
48 **the recorder under the name of the assignee as grantor and the property owner as grantee.**
49 **If an assignee fails to record a release as required by this section, the assignee shall be**
50 **liable to the extent provided for under section 443.130.**

51 **5. An assignee under this section may assign, transfer, or convey a tax lien. Any**
52 **person to whom an assignee assigns a tax lien shall cause to be recorded in the office of the**

53 county recorder an assignment that lists the person to whom the assignee has assigned the
54 lien indexed as the grantee and the prior assignee listed as the grantor. Such assignment,
55 transfer, or conveyance shall not be valid unless recorded. Nothing in this section shall be
56 construed to require a person serving as an issuer or depositor to whom a tax lien is
57 assigned in an asset pool purchase to record such assignment if the person or agent
58 designated for the servicing of said lien remains unchanged.

59 6. If an owner defaults on an obligation under the payment agreement, the assignee
60 may commence an action in the circuit court to foreclose the assigned lien as provided in
61 chapter 443; except no such action may commence earlier than one year from the date on
62 which the assignment was effectuated under subdivision (1) of subsection 4 of this section
63 or more than three years from the date of the default directly giving rise to the assignee's
64 foreclosure action.

65 7. At least sixty days before commencing an action to foreclose the assigned lien,
66 the assignee shall provide notice to the holder of a mortgage lien recorded against the
67 subject property. The assignee shall not recover a fee in connection with a foreclosure
68 action if the fee is incurred within thirty days of the date of the notice required by this
69 subsection. Upon receipt of the notice, the holder or servicer of the recorded first lien may
70 obtain a release of the lien by paying the assignee the amount due under the payment
71 agreement described in subsection 3 of this section.

72 8. If a foreclosure sale of the property results in proceeds in excess of the amounts
73 owing to the assignee under the agreement between the property owner and the assignee,
74 the funds shall be distributed to each party that proves itself entitled to the proceeds in
75 order of lien priority. Any remaining proceeds shall be paid to the former owner. The
76 assignee shall not be entitled to payment of any amounts in excess of amounts provided for
77 under the payment agreement described in subsection 3 of this section.

78 9. A property owner may authorize an initial assignment of liens more than once
79 under this section, but no property owner shall enter into more than one agreement on a
80 given property at a time under this section. Once the amount due on an agreement under
81 this section has been paid in full, the property owner may authorize another assignment
82 under this section. Nothing in this section shall be construed to prevent a property owner
83 from authorizing the assignment of any or all tax liens delinquent at the time an initial
84 authorization under this section is granted.

85 10. An assignee under this section shall register annually with the department of
86 insurance, financial institutions and professional registration.

87 11. The provisions of this section shall expire on September 1, 2021.

88 **12. The department shall promulgate rules prescribing the form and content of the**
89 **property owner's authorization and the collector's receipt required under this section,**
90 **setting maximum transaction costs in connection with the assignment of liens and**
91 **implementing the provisions of this section. In addition to any other form and content**
92 **requirements imposed by the department, the collector's receipt issued under this section**
93 **shall be consistent with the requirements of section 59.310 and include the following:**

94 **(1) The amount paid to the collector under subdivision 2 of subsection 2 of this**
95 **section;**

96 **(2) The legal description of the subject property;**

97 **(3) The assignee's name;**

98 **(4) The assignee's address; and**

99 **(5) The assignee's telephone number.**

100 **13. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
101 **created under the authority delegated in this section shall become effective only if it**
102 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
103 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
104 **vested with the general assembly under chapter 536 to review, to delay the effective date,**
105 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**
106 **of rulemaking authority and any rule proposed or adopted after August 28, 2014, shall be**
107 **invalid and void.**

✓