

FIRST REGULAR SESSION

SENATE BILL NO. 582

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SHOEMYER.

Read 1st time February 26, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

2375L.011

AN ACT

To repeal sections 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405, and 140.420, RSMo, and to enact in lieu thereof eight 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Section A. Sections 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405, and 140.420, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405, and 140.420, to read as follows:

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**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 **held for the use and benefit of the person entitled to such moneys or to**
18 the credit of the school fund of the county, to be held in trust for the term of three
19 years for the owner or owners or their legal representatives. At the end of three
20 years, if such fund shall not be called for, then it shall become a permanent
21 school fund of the county.

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

140.250. 1. Whenever any lands have been or shall hereafter be offered
2 for sale for delinquent taxes, interest, penalty and costs by the collector of the
3 proper county for any two successive years and no person shall have bid therefor
4 a sum equal to the delinquent taxes thereon, interest, penalty and costs provided
5 by law, then such county collector shall at the next regular tax sale of lands for
6 delinquent taxes sell same to the highest bidder, and there shall be a ninety-day
7 period of redemption from such sales as specified in section 140.405.

8 2. No certificate of purchase shall issue as to such sales, but the
9 purchaser at such sales shall be entitled to the issuance and delivery of a
10 collector's deed upon completion of title search action as specified in section
11 140.405.

12 3. If any lands or lots are not sold at such third offering, then the
13 collector, in his discretion, need not again advertise or offer such lands or lots for
14 sale more often than once every five years after the third offering of such lands
15 or lots, and such offering shall toll the operation of any applicable statute of
16 limitations.

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

29 **treasury.**

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

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

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

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

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

22 5. All lands or lots so purchased shall be sold and deeds ordered executed
23 and delivered by such trustees upon order of the county commission of the
24 respective counties and the comptroller, mayor and president of the board of
25 assessors of the city of St. Louis, and the proceeds of such sales shall be applied,
26 first, to the payment of the costs incurred and advanced, and the balance shall
27 be distributed pro rata to the funds entitled to receive the taxes on the lands or
28 lots so disposed of, **and then any excess proceeds shall be distributed to**
29 **the county treasurer to be held for the use and benefit of the person or**

30 persons entitled to such proceeds.

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

35 7. Compensation to trustees as herein designated shall be payable solely
36 from proceeds derived from the sale of lands purchased by them as such trustees
37 and shall be fixed by the authorities herein designated, but not in excess of ten
38 percent of the price for which any such lands and lots are sold by the trustees;
39 provided further, that if at any such sale any person bid a sufficient amount to
40 pay in full all delinquent taxes, penalties, interest and costs, then the trustees
41 herein designated shall be without authority to further bid on any such land or
42 lots. **If a third party is a successful bidder and there are excess**
43 **proceeds, such proceeds shall be distributed as provided in subsection**
44 **5 of this section.**

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

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

8 2. If the purchaser bid for any tract or lot of land a sum in excess of the
9 delinquent tax, penalty, interest and costs for which said tract or lot of land was
10 sold, such excess sum shall also be noted in the certificate of purchase, in a
11 separate column to be provided therefor. Such certificate of purchase shall also
12 recite the name and address of the owner or reputed owner if known, and if
13 unknown then the party or parties to whom each tract or lot of land was assessed,
14 together with the address of such party, if known, and shall also have
15 incorporated therein the name and address of the purchaser. Such certificate of
16 purchase shall also contain the true date of the sale and the time when the

17 purchaser will be entitled to a deed for said land, if not redeemed as in this
18 chapter provided, and the rate of interest that such certificate of purchase shall
19 bear, which rate of interest shall not exceed the sum of ten percent per
20 annum. Such certificate shall be authenticated by the county collector, who shall
21 record the same in a permanent record book in his office before delivery to the
22 purchaser.

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

28 4. For each certificate of purchase issued, including the recording of the
29 same, the county collector shall be entitled to receive and retain a fee of fifty
30 cents, to be paid by the purchaser and treated as a part of the cost of the sale,
31 and so noted on the certificate. For noting any assignment of any certificate the
32 county collector shall be entitled to a fee of twenty-five cents, to be paid by the
33 person requesting such recital of assignment, and which shall not be treated as
34 a part of the cost of the sale.

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

40 **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
2 taxes, homesteads excepted, shall at any time after one year from the date of sale
3 be entitled to the immediate possession of the premises so purchased during the
4 redemption period provided for in this law, unless sooner redeemed; provided,
5 however, any owner or occupant of any tract or lot of land purchased may retain
6 possession of said premises by making a written assignment of, or agreement to
7 pay, rent certain or estimated to accrue during such redemption period or so
8 much thereof as shall be sufficient to discharge the bid of the purchaser with
9 interest thereon as provided in the certificate of purchase.

10 2. The purchaser, his heirs or assigns, may enforce his rights under said
11 written assignment or agreement in any manner now authorized or hereafter
12 authorized by law for the collection of delinquent and unpaid rent; provided

13 further, nothing herein contained shall operate to the prejudice of any owner not
14 in default and whose interest in the tract or lot of land is not encumbered by the
15 certificate of purchase, nor shall it prejudice the rights of any occupant of any
16 tract or lot of land not liable to pay taxes thereon nor such occupant's interest in
17 any planted, growing or unharvested crop thereon.

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

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

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

34 **6. The one-year redemption period shall not apply to third year**
35 **tax sales, but the ninety-day redemption period as provided in section**
36 **140.405 shall apply to such sales. There shall be no redemption period**
37 **for a post-third year tax sale.**

140.340. 1. The owner or occupant of any land or lot sold for taxes, or any
2 other persons having an interest therein, may redeem the same at any time
3 during the one year next ensuing, in the following manner: by paying to the
4 county collector, for the use of the purchaser, his heirs or assigns, the full sum
5 of the purchase money named in his certificate of purchase and all the cost of the
6 sale, **including the cost of the title search and mailing of notification**
7 **required in sections 140.250 to 140.405**, together with interest at the rate
8 specified in such certificate, not to exceed ten percent annually, except on a sum
9 paid by a purchaser in excess of the delinquent taxes due plus costs of the sale,
10 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

12 rate of eight percent per annum on such taxes subsequently paid, and in addition
13 thereto the person redeeming any land shall pay the costs incident to entry of
14 recital of such redemption.

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

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

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

140.405. Any person purchasing property at a delinquent land tax auction
2 shall not acquire the deed to the real estate, as provided for in section 140.420,
3 until the [person] **purchaser** meets with the [following requirement or until
4 such person makes affidavit that a title search has revealed no publicly recorded
5 deed of trust, mortgage, lease, lien or claim on the real estate] **requirements of**
6 **this section. [At least] The purchaser shall obtain a title search from a**
7 **licensed attorney, abstract, or title company** ninety days prior to the date
8 when a purchaser is authorized to acquire the deed[.]. The purchaser shall notify
9 any person who holds a publicly recorded deed of trust, mortgage, lease, lien or
10 claim upon that real estate of the latter person's right to redeem such person's
11 publicly recorded security or claim. Notice shall be sent by certified mail to any
12 such person, including one who was the publicly recorded owner of the property
13 sold at the delinquent land tax auction previous to such sale, at such person's last
14 known available address, **except that no ninety-day notice is required for**
15 **post-third year tax sales as provided in subsection 4 of section**
16 **140.250.** Failure of the purchaser to comply with this provision shall result in
17 such purchaser's loss of all interest in the real estate. If any real estate is
18 purchased at a third-offering tax auction and has a publicly recorded deed of
19 trust, mortgage, lease, lien or claim upon the real estate, the purchaser of said
20 property at a third-offering tax auction shall notify anyone with a publicly
21 recorded deed of trust, mortgage, lease, lien or claim upon the real estate
22 pursuant to this section **within forty-five days after the purchase at the**

23 **collector's sale.** Once the purchaser has [notified] **provided to** the county
24 collector [by affidavit that proper notice has been given] **a copy of the title**
25 **search, notice, and mail certification,** anyone with a publicly recorded deed
26 of trust, mortgage, lease, lien or claim upon the property shall have ninety days
27 **from the date of mail certification** to redeem said property or be forever
28 barred from redeeming said property, **except that no notice is required for**
29 **post-third year tax sales as provided in subsection 4 of section 140.250.**
30 If the county collector chooses to have the title search done then the county
31 collector must comply with all provisions of this section, and may charge the
32 purchaser the cost of the title search before giving the purchaser a deed pursuant
33 to section 140.420.

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

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