

SENATE BILL NO. 388

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLACK.

1306S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 140.190, 140.984, and 140.985, RSMo, and to enact in lieu thereof three new sections relating to the collection of delinquent property taxes.

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

Section A. Sections 140.190, 140.984, and 140.985, RSMo,
2 are repealed and three new sections enacted in lieu thereof, to
3 be known as sections 140.190, 140.984, and 140.985, to read as
4 follows:

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

7 2. (1) The person or land bank agency offering at
8 said sale to pay the required sum for a tract shall be
9 considered the purchaser of such land; provided, no sale
10 shall be made to any person or designated agent who [:

11 (a)] is currently delinquent on any tax payments on
12 any property, other than a delinquency on the property being
13 offered for sale, and who does not sign an affidavit stating
14 such at the time of sale. Failure to sign such affidavit as
15 well as signing a false affidavit may invalidate such sale [;

16 (b) Is a member of the governing body of a land bank
17 agency;

18 (c) Is an employee of a land bank agency;

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

19 (d) Is an elected or appointed official of the
20 governing body, or an employee of such official, of the
21 political subdivision in which a land bank agency is
22 located; or

23 (e) Is related within the second degree of
24 consanguinity to a person described in paragraphs (b) to (d)
25 of this subdivision].

26 (2) No bid shall be received from any person not a
27 resident of the state of Missouri or a foreign corporation
28 or entity all deemed nonresidents. A nonresident shall file
29 with said collector an agreement in writing consenting to
30 the jurisdiction of the circuit court of the county in which
31 such sale shall be made, and also filing with such collector
32 an appointment of some citizen of said county as agent of
33 said nonresident, and consenting that service of process on
34 such agent shall give such court jurisdiction to try and
35 determine any suit growing out of or connected with such
36 sale for taxes. After the delinquent auction sale, any
37 certificate of purchase shall be issued to the agent. After
38 meeting the requirements of section 140.405, the property
39 shall be conveyed to the agent on behalf of the nonresident,
40 and the agent shall thereafter convey the property to the
41 nonresident. A collector may preclude a prospective bidder
42 from participating in a sale for failure to comply with any
43 of the provisions of this section.

44 3. All such written consents to jurisdiction and
45 selective appointments shall be preserved by the county
46 collector and shall be binding upon any person or
47 corporation claiming under the person consenting to
48 jurisdiction and making the appointment herein referred to;
49 provided further, that in the event of the death, disability
50 or refusal to act of the person appointed as agent of said

51 nonresident the county clerk shall become the appointee as
52 agent of said nonresident.

53 4. No person [residing in any home rule city with more
54 than seventy-one thousand but fewer than seventy-nine
55 thousand inhabitants] shall be eligible to offer to purchase
56 lands under this section unless such person has, no later
57 than ten days before the sale date, demonstrated to the
58 satisfaction of the official charged by law with conducting
59 the sale that the person is not the owner of any parcel of
60 real property that has two or more violations of the
61 municipality's building or housing codes. A prospective
62 bidder may make such a demonstration by presenting
63 statements from the appropriate collection and code
64 enforcement officials of the municipality. This subsection
65 shall not apply to any taxing authority or land bank agency,
66 and entities shall be eligible to bid at any sale conducted
67 under this section without making such a demonstration.

140.984. 1. The income of a land bank agency shall be
2 exempt from all taxation by the state and by any of its
3 political subdivisions. Upon acquiring title to any real
4 estate, a land bank agency shall immediately notify the
5 county assessor and the county collector of such ownership;
6 all taxes, special taxes, fines, and fees on such real
7 estate shall be deemed satisfied by transfer to the land
8 bank agency; and such property shall be exempt from all
9 taxation during the land bank agency's ownership thereof, in
10 the same manner and to the same extent as any other publicly
11 owned real estate. Upon the sale or other disposition of
12 any real estate held by it, the land bank agency shall
13 immediately notify the county assessor and the county
14 collector of such change of ownership. However, that such
15 tax exemption for improved and occupied real property held

16 by the land bank agency as a lessor pursuant to a ground
17 lease shall terminate upon the first occupancy, and the land
18 bank agency shall immediately notify the county assessor and
19 the county collector of such occupancy.

20 2. A land bank agency may acquire real property by
21 gift, devise, transfer, exchange, foreclosure, purchase, or
22 pursuant to sections 141.560 to 141.580 or section 141.821,
23 except a land bank agency shall not acquire property located
24 partially or wholly outside the boundaries of the county or
25 municipality that established such land bank agency. [For
26 purchases of real property not made through foreclosure or
27 pursuant to sections 141.560 to 141.580, a land bank agency
28 may only purchase real property if such property is adjacent
29 to real property already owned by the land bank agency.]

30 3. A land bank agency may acquire property by purchase
31 contracts, lease purchase agreements, installment sales
32 contracts, and land contracts and may accept transfers from
33 political subdivisions upon such terms and conditions as
34 agreed to by the land bank agency and the political
35 subdivision. A land bank agency may[, for the purpose of
36 adding to a parcel already owned by the land bank agency,]
37 bid on any parcel of real estate offered for sale, offered
38 at a foreclosure sale under sections 140.220 to 140.250,
39 offered at a sale conducted under section 140.190, 140.240,
40 or 140.250, or offered at a foreclosure sale under section
41 141.550. Notwithstanding any other law to the contrary, any
42 political subdivision may transfer to the land bank agency
43 real property and interests in real property of the
44 political subdivision on such terms and conditions and
45 according to such procedures as determined by the political
46 subdivision.

47 4. A land bank agency shall maintain all of its real
48 property in accordance with the laws and ordinances of the
49 jurisdictions in which the real property is located.

50 5. Upon issuance of a deed to a parcel of real estate
51 to a land bank agency under subsection 4 of section 140.250,
52 subsection 5 of section 140.405, other sale conducted under
53 section 140.190, 140.240, or 140.250, or section 141.550,
54 the land bank agency shall pay only the amount of the land
55 bank agency's bid that exceeds the amount of all tax bills
56 included in the judgment, interest, penalties, attorney's
57 fees, taxes, and costs then due thereon. If the real estate
58 is acquired in a delinquent land tax auction under
59 subsection 4 of section 140.250, subsection 5 of section
60 140.405, or other sale conducted under section 140.190,
61 140.240, or 140.250, such excess shall be applied and
62 distributed in accordance with section 140.230. If the real
63 estate is acquired in a delinquent land tax auction under
64 section 141.550, such excess shall be applied and
65 distributed in accordance with subsections 3 and 4 of
66 section 141.580, exclusive of subdivision (3) of subsection
67 3 of section 141.580. Upon issuance of a deed, the county
68 collector shall mark the tax bills included in the judgment
69 as "cancelled by sale to the land bank" and shall take
70 credit for the full amount of such tax bills, including
71 principal amount, interest, penalties, attorney's fees, and
72 costs, on the county collector's books and in the county
73 collector's statements with any other taxing authorities.

74 6. A land bank shall not own real property unless the
75 property is wholly located within the boundaries of the
76 county or municipality that established the land bank agency.

77 7. Within one year of the effective date of the
78 ordinance, resolution, or rule passed establishing a

79 municipal land bank agency under subsection 2 of section
80 140.981, the title to any real property that is located
81 wholly within the municipality that created the land bank
82 agency and that is held by a land trust created under
83 subsection 1 of section 141.821 shall be transferred by deed
84 from the land trust to such land bank agency, at the land
85 bank agency's request.

140.985. 1. A land bank agency shall hold in its own
2 name all real property acquired by such land bank agency
3 irrespective of the identity of the transferor of such
4 property.

5 2. A land bank agency shall maintain and make
6 available for public review and inspection an inventory and
7 history of all real property the land bank agency holds or
8 formerly held. This inventory and history shall be
9 available on the land bank agency's website and include at a
10 minimum:

- 11 (1) Whether a parcel is available for sale;
- 12 (2) The address of the parcel if an address has been
13 assigned;
- 14 (3) The parcel number if no address has been assigned;
- 15 (4) The month and year that a parcel entered the land
16 bank agency's inventory;
- 17 (5) Whether a parcel has sold;
- 18 (6) If a parcel has sold, the name of the person or
19 entity to which it was sold; and
- 20 (7) Whether the parcel was acquired by the land bank
21 agency through judicial foreclosure, nonjudicial
22 foreclosure, donation, or some other manner.

23 3. The land bank agency shall determine and set forth
24 in policies and procedures the general terms and conditions
25 for consideration to be received by the land bank agency for

26 the transfer of real property and interests in real
27 property. Consideration may take the form of monetary
28 payments and secured financial obligations, covenants, and
29 conditions related to the present and future use of the
30 property; contractual commitments of the transferee; and
31 such other forms of consideration as the land bank agency
32 determines to be in the best interest of the land bank
33 agency.

34 4. A land bank agency may convey, exchange, sell,
35 transfer, grant, release and demise, pledge, and hypothecate
36 any and all interests in, upon, or to property of the land
37 bank agency. A land bank agency may gift any interest in,
38 upon, or to property to the county or municipality that
39 established the land bank agency.

40 5. A county or municipality may, in its resolution,
41 ordinance, or rule creating a land bank agency, establish a
42 hierarchical ranking of priorities for the use of real
43 property conveyed by such land bank agency, including, but
44 not limited to:

- 45 (1) Use for purely public spaces and places;
- 46 (2) Use as wildlife conservation areas;
- 47 (3) Use as a green field area; and
- 48 (4) To return to private use.

49 If a county or municipality, in its resolution, ordinance,
50 or rule creating a land bank agency, establishes priorities
51 for the use of real property conveyed by the land bank
52 agency, such priorities shall be consistent with and no more
53 restrictive than municipal planning and zoning ordinances.

54 6. The land bank agency may delegate to officers and
55 employees the authority to enter into and execute
56 agreements, instruments of conveyance, and all other related

57 documents pertaining to the conveyance of property by the
58 land bank agency.

59 7. [Any property sold by a land bank agency that was
60 acquired through purchase, transfer, exchange, or gift shall
61 be sold.]

62 8.] When any parcel of real estate acquired by a land
63 bank agency is sold or otherwise disposed of by such land
64 bank agency, the proceeds therefrom shall be applied and
65 distributed in the following order:

66 (1) To the payment of the expenses of the sale;

67 (2) To fulfill the requirements of the resolution,
68 indenture, or other financing documents adopted or entered
69 into in connection with bonds, notes, or other obligations
70 of the land bank agency, to the extent that such
71 requirements may apply with respect to such parcel of real
72 estate;

73 (3) To the land bank agency to pay the salaries and
74 other expenses of such land bank agency and of its employees
75 as provided for in its annual budget; and

76 (4) Any funds in excess of those necessary to meet the
77 expenses of the annual budget of the land bank agency in any
78 fiscal year and a reasonable sum to carry over into the next
79 fiscal year to assure that sufficient funds will be
80 available to meet initial expenses for that next fiscal year
81 shall be paid to the respective taxing authorities that, at
82 the time of the distribution, are taxing the real property
83 from which the proceeds are being distributed. The
84 distributions shall be in proportion to the amounts of the
85 taxes levied on the properties by the taxing authorities.
86 Distribution shall be made on January first and July first

87 of each year, and at such other times as the land bank
88 agency may determine.

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