

FIRST REGULAR SESSION

# SENATE BILL NO. 712

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR NICOLA.

2766S.02I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 140.120, 140.250, 140.340, and 140.405, RSMo, and to enact in lieu thereof four new sections relating to delinquent property taxes.

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

Section A. Sections 140.120, 140.250, 140.340, and  
2 140.405, RSMo, are repealed and four new sections enacted in  
3 lieu thereof, to be known as sections 140.120, 140.250, 140.340,  
4 and 140.405, to read as follows:

140.120. **1.** If it appears to any county commission,  
2 that any tract of land or town lot contained in the back tax  
3 book is not worth the amount of taxes, interest and cost due  
4 thereon, as charged in the back tax book or that the same  
5 would not sell for the amount of the taxes, interest and  
6 cost, the commission may compromise the taxes with the owner  
7 of the tract or lot. Upon payment to the collector of the  
8 amount agreed upon, a certificate of redemption shall be  
9 issued under the seal of the commission, which shall release  
10 the lands from the lien of the state and all taxes due  
11 thereon, as charged on the back tax book. If the commission  
12 compromises and accepts a less amount than appears to be due  
13 on any tract of land or town lot, as charged on said back  
14 tax book, the commission shall order the amount so paid to  
15 be distributed to the various funds to which the taxes are  
16 due, in proportion as the amount received bears to the whole  
17 amount charged against the tract or lot.

18           2. Prior to commencing the sale of any property to  
19 satisfy delinquent taxes, interest, and penalties, the  
20 collector shall, by registered mail, notify the property  
21 owner of such property that the property owner may negotiate  
22 a compromise on any delinquent taxes, interest, and  
23 penalties. Notwithstanding any provision of law to the  
24 contrary, any such compromise shall not include a reduction  
25 in the amount of property tax owed, but may include an  
26 agreement to pay such amount in installments over a period  
27 not to exceed three years, and may include, at the  
28 collector's discretion, a waiver of all or part of interest  
29 and penalties owed. If no such agreement is in place by  
30 April first, the collector may proceed to sell the property  
31 pursuant to this chapter.

140.250. 1. Whenever any lands have been or shall  
2 hereafter be offered for sale for delinquent taxes,  
3 interest, penalty and costs by the collector of the proper  
4 county for any two successive years and no person shall have  
5 bid therefor a sum equal to the delinquent taxes thereon,  
6 interest, penalty and costs provided by law, then such  
7 county collector shall at the next regular tax sale of lands  
8 for delinquent taxes sell same to the highest bidder, except  
9 the highest bid shall not be less than the sum equal to the  
10 delinquent taxes, interest, penalties, and costs, and,  
11 **except as provided in subsection 6 of section 140.340**, there  
12 shall be a ninety-day period of redemption from such sales  
13 as specified in section 140.405.

2. A certificate of purchase shall be issued as to  
15 such sales, and the purchaser at such sales shall be  
16 entitled to the issuance and delivery of a collector's deed  
17 upon completion of title search action as specified in  
18 section 140.405.

19           3. If any lands or lots are not sold at such third  
20 offering, then the collector shall advertise or offer such  
21 lands or lots for sale once every thirty days.

22           4. A purchaser at any sale subsequent to the third  
23 offering of any land or lots, whether by the collector or a  
24 trustee as provided in section 140.260, shall be entitled to  
25 the immediate issuance and delivery of a collector's deed  
26 and there shall be no period of redemption from such post-  
27 third year sales; provided, however, before any purchaser at  
28 a sale to which this section is applicable shall be entitled  
29 to a collector's deed it shall be the duty of the collector  
30 to demand, and the purchaser to pay, in addition to the  
31 purchaser's bid, all taxes due and unpaid on such lands or  
32 lots that become due and payable on such lands or lots  
33 subsequent to the date of the taxes included in such  
34 advertisement and sale. The collector's deed or trustee's  
35 deed shall have priority over all other liens or  
36 encumbrances on the property sold except for real property  
37 taxes.

38           5. A purchaser at any sale subsequent to the third  
39 offering of any land or lots, whether by the collector or a  
40 trustee as provided in section 140.260, may elect to proceed  
41 under subsection 1 of this section and subsection 6 of  
42 section 140.405 by giving notice to the collector prior to  
43 the issuance of a collector's deed.

44           6. In the event the real purchaser at any sale to  
45 which this section is applicable shall be the owner of the  
46 lands or lots purchased, or shall be obligated to pay the  
47 taxes for the nonpayment of which such lands or lots were  
48 sold, then no collector's deed shall be issued to such  
49 purchaser, or to anyone acting for or on behalf of such  
50 purchaser, without payment to the collector of such

51 additional amount as will discharge in full all delinquent  
52 taxes, penalty, interest and costs.

140.340. 1. Upon paying the reasonable and customary  
2 costs of sale to the county collector for the use of the  
3 purchaser, his or her heirs, successors, or assigns; the  
4 owner; lienholder; or occupant of any land or lot sold for  
5 taxes, or any other persons having an interest therein,  
6 shall, **except as provided in subsection 6 of this section,**  
7 have the absolute right to redeem the same at any time  
8 during the one year next ensuing and shall continue to have  
9 a defeasible right to redeem the same until such time as the  
10 tax sale purchaser acquires the deed, at which time the  
11 right to redeem shall expire, provided upon the expiration  
12 of the lien evidenced by a certificate of purchase under  
13 section 140.410 no redemption shall be required.

2. The reasonable and customary costs of sale include  
15 all costs incurred in selling and foreclosing tax liens  
16 under this chapter, and such reasonable and customary costs  
17 shall include the following: the full sum of the purchase  
18 money named in the certificate of purchase and all the costs  
19 of the sale, including the cost to record the certificate of  
20 purchase as required in section 140.290, the fee necessary  
21 for the collector to record the release of such certificate  
22 of purchase, and the reasonable and customary cost of the  
23 title search and postage costs of notification required in  
24 sections 140.150 to 140.405, together with interest at the  
25 rate specified in such certificate, not to exceed ten  
26 percent annually, except on a sum paid by a purchaser in  
27 excess of the delinquent taxes due plus costs of the sale  
28 incurred by the collector, no interest shall be owing on the  
29 excess amount, with all subsequent taxes which have been  
30 paid thereon by the purchaser, his or her heirs or assigns

31 with interest at the rate of eight percent per annum on such  
32 taxes subsequently paid, and in addition thereto the person  
33 redeeming any land shall pay the costs incident to entry of  
34 recital of such redemption; provided, however, that no costs  
35 incurred by tax sale purchasers in providing notice of tax  
36 sale redemption rights required by law shall be reimbursable  
37 as a reasonable and customary cost of sale unless such costs  
38 are incurred after March first following the date of  
39 purchase of the tax sale certificate by said tax sale  
40 purchaser at a first or second offering delinquent tax sale.

41 3. Upon deposit with the county collector of the  
42 amount necessary to redeem as herein provided, it shall be  
43 the duty of the county collector to mail to the purchaser,  
44 his or her heirs or assigns, at the last post office address  
45 if known, and if not known, then to the address of the  
46 purchaser as shown in the record of the certificate of  
47 purchase, notice of such deposit for redemption.

48 4. Such notice, given as herein provided, shall stop  
49 payment to the purchaser, his or her heirs or assigns of any  
50 further interest or penalty.

51 5. The reasonable and customary costs of sale needed  
52 to redeem any land or lot sold for taxes under this section  
53 shall be determined by the collector.

54 **6. Notwithstanding any provision of law to the**  
55 **contrary, and in the absence of a compromise entered into**  
56 **pursuant to subsection 2 of section 140.120, for all**  
57 **property actually occupied by the owner of record as the**  
58 **primary residence and that is sold for delinquent taxes on**  
59 **or after January 1, 2026, the purchaser of such delinquent**  
60 **property at auction shall not acquire the deed to or take**  
61 **possession of the delinquent property unless the owner of**  
62 **record has transferred ownership pursuant to subsection 3 of**

63 **section 140.405 or has otherwise vacated the property for a**  
64 **period of thirty days or more.**

140.405. 1. Any person purchasing property at a  
2 delinquent land tax auction shall not acquire the deed to  
3 the real estate, as provided for in section 140.250 or  
4 140.420, until the person meets the requirements of this  
5 section, except that such requirements shall not apply to  
6 post-third-year sales, which shall be conducted under  
7 subsection 4 of section 140.250. The purchaser shall obtain  
8 a title search report from a licensed attorney or licensed  
9 title company detailing the ownership and encumbrances on  
10 the property.

11 2. At least ninety days prior to the date when a  
12 purchaser is authorized to acquire the deed, the purchaser  
13 shall notify the owner of record and any person who holds a  
14 publicly recorded unreleased deed of trust, mortgage, lease,  
15 lien, judgment, or any other publicly recorded claim upon  
16 that real estate of such person's right to redeem the  
17 property. Notice shall be sent by both first class mail and  
18 certified mail return receipt requested to such person's  
19 last known available address. If the certified mail return  
20 receipt is returned signed, the first class mail notice is  
21 not returned, the first class mail notice is refused where  
22 noted by the United States Postal Service, or any  
23 combination thereof, notice shall be presumed received by  
24 the recipient. At the conclusion of the applicable  
25 redemption period, the purchaser shall make an affidavit in  
26 accordance with subsection 5 of this section.

27 3. If the owner of record or the holder of any other  
28 publicly recorded claim on the property intends to transfer  
29 ownership or execute any additional liens or encumbrances on  
30 the property, such owner shall first redeem such property

31 under section 140.340. The failure to comply with redeeming  
32 the property first before executing any of such actions or  
33 agreements on the property shall require the owner of record  
34 or any other publicly recorded claim on the property to  
35 reimburse the purchaser for the total bid as recorded on the  
36 certificate of purchase and all the costs of the sale  
37 required in sections 140.150 to 140.405.

38 4. In the case that both the certified notice return  
39 receipt card is returned unsigned and the first class mail  
40 is returned for any reason except refusal, where the notice  
41 is returned undeliverable, then the purchaser shall attempt  
42 additional notice and certify in the purchaser's affidavit  
43 to the collector that such additional notice was attempted  
44 and by what means.

45 5. The purchaser shall notify the county collector by  
46 affidavit of the date that every required notice was sent to  
47 the owner of record and, if applicable, any other publicly  
48 recorded claim on the property. To the affidavit, the  
49 purchaser shall attach a copy of a valid title search report  
50 as described in subsection 1 of this section as well as  
51 completed copies of the following for each recipient:

52 (1) Notices of right to redeem sent by first class  
53 mail;

54 (2) Notices of right to redeem sent by certified mail;

55 (3) Addressed envelopes for all notices, as they  
56 appeared immediately before mailing;

57 (4) Certified mail receipt as it appeared upon its  
58 return; and

59 (5) Any returned regular mailed envelopes.

60 As provided in this section, at such time the purchaser  
61 notifies the collector by affidavit that all the ninety

62 days' notice requirements of this section have been met, the  
63 purchaser is authorized to acquire the deed, provided that a  
64 collector's deed shall not be acquired before the expiration  
65 date of the redemption period as provided in section 140.340.

66 6. If any real estate is purchased at a third-offering  
67 tax auction and has a publicly recorded unreleased deed of  
68 trust, mortgage, lease, lien, judgment, or any other  
69 publicly recorded claim upon the real estate under this  
70 section, the purchaser of said property shall within forty-  
71 five days after the purchase at the sale notify such person  
72 of the person's right to redeem the property within ninety  
73 days from the postmark date on the notice, **unless otherwise**  
74 **exempted pursuant to subsection 6 of section 140.340.**

75 Notice shall be sent by both first class mail and certified  
76 mail return receipt requested to such person's last known  
77 available address. The purchaser shall notify the county  
78 collector by affidavit of the date the required notice was  
79 sent to the owner of record and, if applicable, the holder  
80 of any other publicly recorded claim on the property, that  
81 such person shall, **except as provided in subsection 6 of**  
82 **section 140.340**, have ninety days to redeem said property or  
83 be forever barred from redeeming said property.

84 7. If the county collector chooses to have the title  
85 search done then the county collector may charge the  
86 purchaser the cost of the title search before giving the  
87 purchaser a deed pursuant to section 140.420.

88 8. Failure of the purchaser to comply with this  
89 section shall result in such purchaser's loss of all  
90 interest in the real estate except as otherwise provided in  
91 sections 140.550 and 140.570.

92 9. The phrase "authorized to acquire the deed" as used  
93 in this chapter shall mean the date chosen by the tax sale



94 purchaser that is more than the minimum redemption period  
95 set forth in section 140.340 if the tax sale purchaser has  
96 complied with the following requirements entitling the  
97 purchaser to the issuance of a collector's deed:

98 (1) Compliance with the requirements of this section  
99 to the satisfaction of the collector;

100 (2) Payment of the recording fee for the collector's  
101 deed as required under section 140.410;

102 (3) Production of the original of the certificate of  
103 purchase as required under section 140.420, or production of  
104 an original affidavit of lost or destroyed certificate  
105 approved by the collector as to form and substance; and

106 (4) Payment of all subsequent taxes required to be  
107 paid under section 140.440.

108 10. Notwithstanding any provision of law to the  
109 contrary, any person except a minor or an incapacitated or  
110 disabled person may receive notice under this section in a  
111 foreign country or outside the United States:

112 (1) By any internationally agreed-upon means of  
113 service that is reasonably calculated to give notice, such  
114 as the Hague Convention on the Service Abroad of Judicial  
115 and Extrajudicial Documents;

116 (2) If there is no internationally agreed-upon means  
117 of service, or if an international agreement allows service  
118 but does not specify the means, by a method that is  
119 reasonably calculated to give notice;

120 (3) As set forth for the foreign country's acceptable  
121 method of service in actions in courts of general  
122 jurisdiction;

123 (4) As the foreign country directs in response to a  
124 letter of request;

125           (5) Unless prohibited by a foreign country's law, by  
126 delivering a copy of the notice to the person personally or  
127 using a form of mail that requires a signed receipt; or

128           (6) By any other means not prohibited by international  
129 agreement as approved by the collector.

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