

SECOND REGULAR SESSION

# SENATE BILL NO. 903

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SILVEY.

Read 1st time February 20, 2014, and ordered printed.

TERRY L. SPIELER, Secretary.

6136S.01I

## 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  
2 section, to be known as section 139.054, to read as follows:

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

**17 2. The collector of the county shall issue a receipt, in the form  
18 and with the content required by subsection 11 of this section, to an  
19 assignee on the owner's real property to the assignee upon receipt of  
20 the following:**

**21 (1) The property owner's written authorization of the assignment**

22 of the tax lien to the assignee;

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

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

27 (4) Proof of the assignee's registration as described in subsection  
28 10 of this section.

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

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

32 (2) All reasonable and necessary transaction costs and fees  
33 incurred by the assignee;

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

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

41 4. (1) The assignee shall cause to be recorded in the office of the  
42 county recorder a copy of the receipt issued by the tax collector under  
43 subsection 2 of this section. Such receipt shall be indexed by the  
44 recorder under the name of the property owner as grantor and the  
45 name of the assignee as grantee. Upon such recordation, the tax lien  
46 shall be deemed lawfully assigned to the assignee, and such recorded  
47 receipt shall serve as prima facie evidence of the collector's receipt of  
48 all items required under subsection 2 of this section, the validity of the  
49 assignment, and the priority of the assigned lien. The assigned tax lien  
50 shall retain its priority as a first lien for general taxes under section  
51 141.250, and the date of the assignment shall not affect the lien's  
52 priority.

53 (2) Within twenty business days of the satisfaction of all  
54 obligations arising under an assignment agreement, the assignee shall  
55 cause to be recorded a release of the tax lien with the office of the  
56 county recorder, and the assignee shall provide written notification of  
57 the release of the tax lien to the property owner. Any such release  
58 shall be indexed by the recorder under the name of the assignee as

59 grantor and the property owner as grantee. If an assignee fails to  
60 record a release as required by this section, the assignee shall be liable  
61 to the extent provided for under section 443.130.

62         5. An assignee under this section may assign, transfer, or convey  
63 a tax lien. Any person to whom an assignee assigns a tax lien shall  
64 cause to be recorded in the office of the county recorder an assignment  
65 that lists the person to whom the assignee has assigned the lien  
66 indexed as the grantee and the prior assignee listed as the  
67 grantor. Such assignment, transfer, or conveyance shall not be valid  
68 unless recorded. Nothing in this section shall be construed to require  
69 a person serving as an issuer or depositor to whom a tax lien is  
70 assigned in an asset pool purchase to record such assignment if the  
71 person or agent designated for the servicing of said lien remains  
72 unchanged.

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

80         7. At least sixty days before commencing an action to foreclose  
81 the assigned lien, the assignee shall provide notice to the holder of a  
82 mortgage lien recorded against the subject property. The assignee  
83 shall not recover a fee in connection with a foreclosure action if the fee  
84 is incurred within thirty days of the date of the notice required by this  
85 subsection. Upon receipt of the notice, the holder or servicer of the  
86 recorded first lien may obtain a release of the lien by paying the  
87 assignee the amount due under the payment agreement described in  
88 subsection 3 of this section.

89         8. If a foreclosure sale of the property results in proceeds in  
90 excess of the amounts owing to the assignee under the agreement  
91 between the property owner and the assignee, the funds shall be  
92 distributed to each party that proves itself entitled to the proceeds in  
93 order of lien priority. Any remaining proceeds shall be paid to the  
94 former owner. The assignee shall not be entitled to payment of any  
95 amounts in excess of amounts provided for under the payment

96 agreement described in subsection 3 of this section.

97           **9. A property owner may authorize an initial assignment of liens**  
98 **more than once under this section, but no property owner shall enter**  
99 **into more than one agreement on a given property at a time under this**  
100 **section. Once the amount due on an agreement under this section has**  
101 **been paid in full, the property owner may authorize another**  
102 **assignment under this section. Nothing in this section shall be**  
103 **construed to prevent a property owner from authorizing the assignment**  
104 **of any or all tax liens delinquent at the time an initial authorization**  
105 **under this section is granted.**

106           **10. An assignee under this section shall register annually with**  
107 **the department of insurance, financial institutions and professional**  
108 **registration.**

109           **11. The department shall promulgate rules prescribing the form**  
110 **and content of the property owner's authorization and the collector's**  
111 **receipt required under this section, setting maximum transaction costs**  
112 **in connection with the assignment of liens and implementing the**  
113 **provisions of this section. In addition to any other form and content**  
114 **requirements imposed by the department, the collector's receipt issued**  
115 **under this section shall be consistent with the requirements of section**  
116 **59.310 and include the following:**

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

119           **(2) The legal description of the subject property provided by the**  
120 **assignee;**

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

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

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

124           **12. Nothing in this section shall create any liability or cause of**  
125 **action against the surety bond of any collector for issuing the receipt**  
126 **required in this section.**

127           **13. The provisions of this section shall expire on September 1,**  
128 **2021.**

129           **14. Any rule or portion of a rule, as that term is defined in**  
130 **section 536.010, that is created under the authority delegated in this**  
131 **section shall become effective only if it complies with and is subject to**  
132 **all of the provisions of chapter 536 and, if applicable, section**

133 **536.028. This section and chapter 536 are nonseverable and if any of**  
134 **the powers vested with the general assembly under chapter 536 to**  
135 **review, to delay the effective date, or to disapprove and annul a rule**  
136 **are subsequently held unconstitutional, then the grant of rulemaking**  
137 **authority and any rule proposed or adopted after August 28, 2014, shall**  
138 **be invalid and void.**

✓

Unofficial

Bill

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