

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 613
98TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, May 4, 2015, with recommendation that the Senate Committee Substitute do pass.

1344S.06C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 52.260, 65.620, 137.076, 140.170, 140.310, 140.340, 140.350, 140.405, 140.410, and 140.420, RSMo, and to enact in lieu thereof eleven new sections relating to the collection of property taxes, with an emergency clause for a certain section.

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

Section A. Sections 52.260, 65.620, 137.076, 140.170, 140.310, 140.340, 140.350, 140.405, 140.410, and 140.420, RSMo, are repealed and eleven new sections enacted in lieu thereof, to be known as sections 52.260, 65.620, 137.076, 140.170, 140.195, 140.310, 140.340, 140.350, 140.405, 140.410, and 140.420, to read as follows:

52.260. The collector in counties not having township organization shall collect on behalf of the county the following fees for collecting all state, county, bridge, road, school, back and delinquent, and all other local taxes, including merchants', manufacturers' and liquor and beer licenses, other than ditch and levee taxes, and the fees collected shall be deposited in the county general fund:

(1) In all counties wherein the total amount levied for any one year exceeds two hundred and fifty thousand dollars and is less than three hundred and fifty thousand dollars, a fee of two and one-half percent on the amount collected;

(2) In all counties wherein the total amount levied for any one year exceeds three hundred and fifty thousand dollars and is less than **[two] three** million dollars, a fee of two and one-half percent on the first three hundred and fifty thousand dollars collected and one percent on whatever amount may be collected over three hundred and fifty thousand dollars;

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

15 (3) In all counties wherein the total amount levied for any one year
16 exceeds [two] **three** million dollars, a fee of one percent on the amounts collected.

65.620. 1. Whenever any county abolishes township organization the
2 county treasurer and ex officio collector shall immediately settle his accounts as
3 treasurer with the county commission and shall thereafter perform all duties,
4 exercise all powers, have all rights and be subject to all liabilities imposed and
5 conferred upon the county collector of revenue under chapter 52 until the first
6 Monday in March after the general election next following the abolishment of
7 township organization and until a collector of revenue for the county is elected
8 and qualified. The person elected collector at the general election as aforesaid,
9 if that election is not one for collector of revenue under chapter 52, shall serve
10 until the first Monday in March following the election and qualification of a
11 collector of revenue under chapter 52. Upon abolition of township organization
12 a county treasurer shall be appointed to serve until the expiration of the term of
13 such officer pursuant to chapter 54.

14 2. Upon abolition of township organization, title to all property of all
15 kinds theretofore owned by the several townships of the county shall vest in the
16 county and the county shall be liable for all outstanding obligations and liabilities
17 of the several townships.

18 3. The terms of office of all township officers shall expire on the abolition
19 of township organization and the township trustee of each township shall
20 immediately settle his accounts with the county clerk and all township officers
21 shall promptly deliver to the appropriate county officers, as directed by the
22 county commission, all books, papers, records and property pertaining to their
23 offices.

24 4. **For a period of one calendar year following the abolition of**
25 **the townships or until the voters of the county have approved a tax**
26 **levy for road and bridge purposes, whichever occurs first, the county**
27 **collector shall continue to collect a property tax on a county-wide basis**
28 **in an amount equal to the tax levied by the township that had the**
29 **lowest total tax rate in the county immediately prior to the abolishment**
30 **of the townships. The continued collection of the tax shall be**
31 **considered a continuation of an existing tax and shall not be**
32 **considered a new tax levy.**

137.076. 1. In establishing the value of a parcel of real property the
2 county assessor shall consider current market conditions and previous decisions

3 of the county board of equalization, the state tax commission or a court of
4 competent jurisdiction that affected the value of such parcel. For purposes of this
5 section, the term "current market conditions", shall include the impact upon the
6 housing market of foreclosures and bank sales.

7 **2. In establishing the value of a parcel of real property, the**
8 **county assessor shall use an income based approach for assessment of**
9 **parcels of real property with federal or state imposed restrictions in**
10 **regard to rent limitations, operations requirements, or any other**
11 **restrictions imposed upon the property in connection with:**

12 **(1) The property being eligible for any income tax credits under**
13 **section 42 of the Internal Revenue Code of 1986, as amended;**

14 **(2) Property constructed with the use of the United States**
15 **Department of Housing and Urban Development HOME investment**
16 **partnerships program;**

17 **(3) Property constructed with the use of incentives provided by**
18 **the United States Department of Agriculture Rural Development; or**

19 **(4) Property receiving any other state or federal subsidies**
20 **provided with respect to use of the property for housing purposes.**

21 **For the purposes of this subsection, the term "income based approach"**
22 **shall include the use of direct capitalization methodology and**
23 **computed by dividing the net operating income of the parcel of**
24 **property by an appropriate capitalization rate not to exceed the**
25 **average of the current market data available in the county of said**
26 **parcel of property. Federal and state tax credits or other subsidies**
27 **shall not be used when calculating the capitalization rate. Upon**
28 **expiration of a land use restriction agreement, such parcel of property**
29 **shall no longer be subject to this subsection.**

140.170. 1. Except for lands described in subsection 7 of this section, the
2 county collector shall cause a copy of the list of delinquent lands and lots to be
3 printed in some newspaper of general circulation published in the county for
4 three consecutive weeks, one insertion weekly, before the sale, the last insertion
5 to be at least fifteen days prior to the fourth Monday in August.

6 2. In addition to the names of all record owners or the names of all owners
7 appearing on the land tax book it is only necessary in the printed and published
8 list to state in the aggregate the amount of taxes, penalty, interest and cost due
9 thereon, each year separately stated.

10 3. To the list shall be attached and in like manner printed and published
11 a notice of said lands and lots stating that said land and lots will be sold at
12 public auction to discharge the taxes, penalty, interest, and costs due thereon at
13 the time of sale in or adjacent to the courthouse of such county, on the fourth
14 Monday in August next thereafter, commencing at ten o'clock of said day and
15 continuing from day to day thereafter until all are offered.

16 4. The county collector, on or before the day of sale, shall insert at the foot
17 of the list on his **or her** record a copy of the notice and certify on his **or her**
18 record immediately following the notice the name of the newspaper of the county
19 in which the notice was printed and published and the dates of insertions thereof
20 in the newspaper.

21 5. The expense of such printing shall be paid out of the county treasury
22 and shall not exceed the rate provided for in chapter 493, relating to legal
23 publications, notices and advertisements, and the cost of printing at the rate paid
24 by the county shall be taxed as part of the costs of the sale of any land or lot
25 contained in the list.

26 6. The county collector shall cause the affidavit of the printer, editor or
27 publisher of the newspaper in which the list of delinquent lands and notice of sale
28 was published, as provided by section 493.060, with the list and notice attached,
29 to be recorded in the office of the recorder of deeds of the county, and the recorder
30 shall not charge or receive any fees for recording the same.

31 7. The county collector may have a separate list of such lands, without
32 legal descriptions or the names of the record owners, printed in a newspaper of
33 general circulation published in such county for three consecutive weeks before
34 the sale of such lands for a parcel or lot of land that:

35 (1) Has an assessed value of one thousand **five hundred** dollars or less
36 and has been advertised previously; or

37 (2) Is a lot in a development of twenty or more lots and such lot has an
38 assessed value of one thousand **five hundred** dollars or less. The notice shall
39 state that legal descriptions and the names of the record owners of such lands
40 shall be posted at any county courthouse within the county and the office of the
41 county collector.

42 8. If, in the opinion of the county collector, an adequate legal description
43 of the delinquent land and lots cannot be obtained through researching the
44 documents available through the recorder of deeds, the collector may commission
45 a professional land surveyor to prepare an adequate legal description of the

46 delinquent land and lots in question. The costs of any commissioned land survey
47 deemed necessary by the county collector shall be taxed as part of the costs of the
48 sale of any land or lots contained in the list prepared under this section.

140.195. **Any collector, agent of any collector, tax sale purchaser,
2 or agent of any tax sale purchaser performing duties under this chapter
3 shall have the lawful right to enter upon the land of another without
4 being guilty of trespass, if he or she is in the course of providing or
5 attempting to provide notice of a tax sale or tax sale redemption rights
6 and it is necessary to enter upon such land to provide, serve, or post
7 such notice.**

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 **or her** heirs or assigns may enforce his **or her**
11 rights under said written assignment or agreement in any manner now
12 authorized or hereafter authorized by law for the collection of delinquent and
13 unpaid rent; provided further, nothing herein contained shall operate to the
14 prejudice of any owner not in default and whose interest in the tract or lot of land
15 is not encumbered by the certificate of purchase, nor shall it prejudice the rights
16 of any occupant of any tract or lot of land not liable to pay taxes thereon nor such
17 occupant's interest in 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 **or her** contract of occupancy shall also, to the same extent, be removable against
22 the purchaser, his **or her** heirs or assigns.

23 4. Any rent collected by the purchaser, his **or her** heirs or assigns shall
24 operate as a payment upon the amount due the holder of such certificate of
25 purchase, and such amount or amounts, together with the date paid and by whom
26 shall be endorsed as a credit upon said certificate, and which said sums shall be

27 taken into consideration in the redemption of such land, as provided for in this
28 chapter.

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

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

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

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

25 with all subsequent taxes which have been paid thereon by the purchaser, his **or**
26 **her** heirs or assigns with interest at the rate of eight percent per annum on such
27 taxes subsequently paid, and in addition thereto the person redeeming any land
28 shall pay the costs incident to entry of recital of such redemption; **provided,**
29 **however, that no costs incurred by tax sale purchasers in providing**
30 **notice of tax sale redemption rights required by law shall be**
31 **reimbursable as a reasonable and customary cost of sale unless such**
32 **costs are incurred after March first following the date of purchase of**
33 **the tax sale certificate by said tax sale purchaser at a first or second**
34 **offering delinquent tax sale.**

35 [2.] 3. Upon deposit with the county collector of the amount necessary to
36 redeem as herein provided, it shall be the duty of the county collector to mail to
37 the purchaser, his **or her** heirs or assigns, at the last post office address if
38 known, and if not known, then to the address of the purchaser as shown in the
39 record of the certificate of purchase, notice of such deposit for redemption.

40 [3.] 4. Such notice, given as herein provided, shall stop payment to the
41 purchaser, his **or her** heirs or assigns of any further interest or penalty.

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

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

140.350. [Infants] **Minors** and incapacitated and disabled persons as
2 defined in chapter 475 may redeem any lands belonging to them sold for taxes,
3 within [one year after the expiration of such disability] **five years of the date**
4 **of the last payment of taxes encumbering the real estate by the minor,**
5 **incapacitated or disabled person, the party's predecessors in interest,**
6 **or any representative of such person,** in the same manner as provided in
7 section 140.340 for redemption by other persons.

140.405. 1. Any person purchasing property at a delinquent land tax
2 auction shall not acquire the deed to the real estate, as provided for in section
3 140.250 or 140.420, until the person meets the requirements of this section,
4 except that such requirements shall not apply to post-third-year sales, which
5 shall be conducted under subsection 4 of section 140.250. The purchaser shall

6 obtain a title search report from a licensed attorney or licensed title company
7 detailing the ownership and encumbrances on the property. [Such title search
8 report shall be declared invalid if the effective date is more than one hundred
9 twenty days from the date the purchaser applies for a collector's deed under
10 section 140.250 or 140.420.]

11 2. At least ninety days prior to the date when a purchaser is authorized
12 to acquire the deed, the purchaser shall notify the owner of record and any person
13 who holds a publicly recorded unreleased deed of trust, mortgage, lease, lien,
14 judgment, or any other publicly recorded claim upon that real estate of such
15 person's right to redeem the property. Notice shall be sent by both first class
16 mail and certified mail return receipt requested to such person's last known
17 available address. If the certified mail return receipt is returned signed, the first
18 class mail notice is not returned, the first class mail notice is refused where noted
19 by the United States Postal Service, or any combination thereof, notice shall be
20 presumed received by the recipient. At the conclusion of the applicable
21 redemption period, the purchaser shall make an affidavit in accordance with
22 subsection [4] 5 of this section.

23 3. If the owner of record or the holder of any other publicly recorded claim
24 on the property intends to transfer ownership or execute any additional liens or
25 encumbrances on the property, such owner shall first redeem such property under
26 section 140.340. The failure to comply with redeeming the property first before
27 executing any of such actions or agreements on the property shall require the
28 owner of record or any other publicly recorded claim on the property to reimburse
29 the purchaser for the total bid as recorded on the certificate of purchase and all
30 the costs of the sale required in sections 140.150 to 140.405.

31 4. In the case that both the certified notice return receipt card is returned
32 unsigned and the first class mail is returned for any reason except refusal, where
33 the notice is returned undeliverable, then the purchaser shall attempt additional
34 notice and certify in the purchaser's affidavit to the collector that such additional
35 notice was attempted and by what means.

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

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

42 (2) Notices of right to redeem sent by certified mail;
43 (3) Addressed envelopes for all notices, as they appeared immediately
44 before mailing;
45 (4) Certified mail receipt as it appeared upon its return; and
46 (5) Any returned regular mailed envelopes. As provided in this section,
47 at such time the purchaser notifies the collector by affidavit that all the ninety
48 days' notice requirements of this section have been met, the purchaser is
49 authorized to acquire the deed, provided that a collector's deed shall not be
50 acquired before the expiration date of the redemption period as provided in
51 section 140.340.

52 6. If any real estate is purchased at a third-offering tax auction and has
53 a publicly recorded unreleased deed of trust, mortgage, lease, lien, judgment, or
54 any other publicly recorded claim upon the real estate under this section, the
55 purchaser of said property shall within forty-five days after the purchase at the
56 sale notify such person of the person's right to redeem the property within ninety
57 days from the postmark date on the notice. Notice shall be sent by both first
58 class mail and certified mail return receipt requested to such person's last known
59 available address. The purchaser shall notify the county collector by affidavit of
60 the date the required notice was sent to the owner of record and, if applicable,
61 the holder of any other publicly recorded claim on the property, that such person
62 shall have ninety days to redeem said property or be forever barred from
63 redeeming said property.

64 7. If the county collector chooses to have the title search done then the
65 county collector may charge the purchaser the cost of the title search before
66 giving the purchaser a deed pursuant to section 140.420.

67 8. [If the property is redeemed, the person redeeming the property shall
68 pay the costs incurred by the purchaser in providing notice under this
69 section. Recoverable costs on any property sold at a tax sale shall include the
70 title search, postage, and costs for the recording of any certificate of purchase
71 issued and for recording the release of such certificate of purchase and all the
72 costs of the sale required in sections 140.150 to 140.405.

73 9.] Failure of the purchaser to comply with this section shall result in
74 such purchaser's loss of all interest in the real estate **except as otherwise**
75 **provided in sections 140.550 and 140.570.**

76 9. The phrase "authorized to acquire the deed" as used in this
77 chapter shall mean the date chosen by the tax sale purchaser that is

78 more than the minimum redemption period set forth in section 140.340
79 if the tax sale purchaser has complied with the following requirements
80 entitling the purchaser to the issuance of a collector's deed:

81 (1) Compliance with the requirements of this section to the
82 satisfaction of the collector;

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

85 (3) Production of the original of the certificate of purchase as
86 required under section 140.420, or production of an original affidavit
87 of lost or destroyed certificate approved by the collector as to form and
88 substance; and

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

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

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

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

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

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

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

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

140.410. In all cases where lands have been or may hereafter be sold for
2 delinquent taxes, penalty, interest and costs due thereon, and a certificate of
3 purchase has been or may hereafter be issued, it is hereby made the duty of such
4 purchaser, his **or her** heirs or assigns, to cause all subsequent taxes to be paid
5 on the property purchased prior to the issuance of any collector's deed, and the

6 purchaser shall further cause a deed to be executed and placed on record in the
7 proper county all within [two years] **eighteen months** from the date of said sale;
8 provided, that on failure of said purchaser, his **or her** heirs or assigns so to do,
9 then and in that case the amount due such purchaser shall cease to be a lien on
10 said lands so purchased as herein provided. Upon the purchaser's forfeiture of
11 all rights of the property acquired by the certificate of purchase issued, and
12 including the nonpayment of all subsequent years' taxes as described in this
13 section, it shall be the responsibility of the collector to record the cancellation of
14 the certificate of purchase in the office of the recorder of deeds of the
15 county. Certificates of purchase cannot be assigned to nonresidents or delinquent
16 taxpayers. However, any person purchasing property at a delinquent land tax
17 sale who meets the requirements of this section, prior to receiving a collector's
18 deed, shall pay to the collector the fee necessary for the recording of such
19 collector's deed to be issued. It shall be the responsibility of the collector to
20 record the deed before delivering such deed to the purchaser of the property.

140.420. If no person shall redeem the lands sold for taxes [within the
2 applicable redemption period of one year from the date of the sale or within the
3 ninety-day notice as specified in section 140.405 for a third-year tax sale] **prior**
4 **to the expiration of the right to redeem**, at the expiration thereof, and on
5 production of the certificate of purchase **and upon proof satisfactory to the**
6 **collector that a purchaser or his or her heirs, successors, or assigns are**
7 **authorized to acquire the deed**, the collector of the county in which the sale
8 of such lands took place shall execute to the purchaser, his **or her** heirs or
9 assigns, in the name of the state, a conveyance of the real estate so sold, which
10 shall vest in the grantee an absolute estate in fee simple, subject, however, to all
11 claims thereon for unpaid taxes except such unpaid taxes existing at time of the
12 purchase of said lands and the lien for which taxes was inferior to the lien for
13 taxes for which said tract or lot of land was sold.

Section B. Because of the need to provide a funding source to ensure the
2 proper maintenance of roads and bridges in certain counties of this state, the
3 repeal and reenactment of section 65.620 of this act is deemed necessary for the
4 immediate preservation of the public health, welfare, peace and safety, and is
5 hereby declared to be an emergency act within the meaning of the constitution,
6 and the repeal and reenactment of section 65.620 of this act shall be in full force
7 and effect upon its passage and approval.

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