

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 394**  
**90TH GENERAL ASSEMBLY**

Reported from the Committee on Local Government and Related Matters, April 22, 1999, with recommendation that the House Committee Substitute for Senate Committee Substitute for Senate Bill No. 394 Do Pass.

ANNE C. WALKER, Chief Clerk

L1073.05C

**AN ACT**

To repeal sections 140.110, 140.160, 141.080, 442.380 and 516.010, RSMo 1994, and section 139.053, RSMo Supp. 1998, relating to ownership of property, and to enact in lieu thereof twenty new sections relating to the same subject, with a penalty provision.

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

Section A. Sections 140.110, 140.160, 141.080, 442.380 and 516.010, RSMo 1994, and section 139.053, RSMo Supp. 1998, are repealed and twenty new sections enacted in lieu thereof, to be known as sections 139.053, 140.110, 140.160, 141.080, 141.1003, 141.1006, 141.1009, 141.1012, 141.1015, 141.1018, 141.1021, 141.1024, 141.1027, 141.1030, 141.1033, 141.1036, 141.1039, 408.620, 442.380 and 516.010, to read as follows:

139.053. 1. The governing body of any county, excluding township counties, may by ordinance or order provide for the payment of all or any part of current real and personal property taxes which are owed, at the option of the taxpayer, on an annual, semiannual or quarterly basis at such times as determined by such governing body.

2. The ordinance shall provide the method by which the amount of property taxes owed for the current tax year in which the payments are to be made shall be estimated. The collector shall submit to the governing body the procedures by which taxes will be collected pursuant to the ordinance or order. The estimate shall be based on the previous tax year's liability. A taxpayer's payment schedule shall be based on the estimate divided by the number of pay periods in which payments are to be made. The taxpayer shall at the end of the tax year pay any amounts owed in excess of the estimate for such year. The county shall at the end of the tax year refund to the taxpayer any amounts paid in excess of the property tax owed for such year. No interest shall be paid by the county on excess amounts owed to the taxpayer. Any refund paid the taxpayer pursuant to this subsection shall be an amount paid by the county only once in a calendar year.

3. If a taxpayer fails to make an installment payment of a portion of the real or personal property taxes owed to the county, then such county may charge the taxpayer interest on the [entire] **unpaid** amount of such property taxes owed for that year.

4. Any governing body enacting the ordinance or order specified in this section shall first

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

agree to provide the county collector with reasonable and necessary funds to implement the ordinance or order.

140.110. **1.** The collectors of the respective counties shall collect the taxes contained in the back tax book. Any person interested in or the owner of any tract of land or lot contained in the back tax book may redeem the tract of land or town lot, or any part thereof, from the state's lien thereon, by paying to the proper collector the amount of the original taxes, as charged against the tract of land or town lot described in the back tax book together with interest from the day upon which the tax first became delinquent at the rate specified in section 140.100.

**2. All personal property taxes and taxes on each individual parcel of real estate on back tax books shall be paid before a county collector accepts any payment for all or any part of real or personal property taxes due and assessed on the current tax books.**

140.160. **1.** No proceedings for the sale of land and lots for delinquent taxes [under the provisions of] **pursuant to** this chapter, relating to the collection of delinquent and back taxes and providing for foreclosure sale and redemption of land and lots therefor, shall be valid unless initial proceedings therefor shall be commenced within three years after delinquency of such taxes, and any sale held pursuant to initial proceedings commenced within such period of three years shall be deemed to have been in compliance with the provisions of said law insofar as the time at which such sales are to be had is specified therein; provided further, that in suits or actions to collect delinquent drainage and/or levee assessments on real estate such suits or actions shall be commenced within three years after delinquency, otherwise no suit or action therefor shall be commenced, had or maintained, **except that the three-year limitation described in this subsection shall not be applicable if any written instrument conveys any real estate having a tax-exempt status, if such instrument causes such real estate to again become taxable real property and if such instrument has not been recorded in the office of the recorder in the county in which the real estate has been situated. Such three-year limitation shall only be applicable once the recording of the title has occurred.**

**2.** In order to enable county and city collectors to be able to collect delinquent and back taxes, the county auditor in all counties having a county auditor shall annually audit and list all delinquent and back taxes and provide a copy of such audit and list to the county collector and to the governing body of the county. A copy of the audit and list may be provided to city collectors within the county at the discretion of the county collector.

141.080. No action for recovery of taxes against real estate shall be commenced, had or maintained, unless action therefor shall be commenced within [five] **three** years after delinquency, **except that such three-year limitation shall not be applicable if any written instrument conveys any real estate having a tax-exempt status, if such instrument causes such real estate to again become taxable real property and if such instrument has not been recorded in the office of the recorder in the county in which the real estate has been situated. Such three-year limitation shall only be applicable once the recording of the title has occurred.**

**141.1003.** There is hereby created a commission for the management, sale and other disposition of tax delinquent lands, which commission shall be known as "The Land Trust of ..... (insert name of city), Missouri", and the members thereof shall be known as land trustees. Such land trust shall have and exercise all the powers that are conferred by sections 141.1000 to 141.1039 necessary and incidental to the effective management, sale or other disposition of real estate acquired under and by virtue of the foreclosure of the lien for delinquent real estate taxes, as provided in sections 141.1000 to 141.1039, and in the

exercise of such powers, the land trust shall be deemed to be a public corporation acting in a governmental capacity.

**141.1006.** The beneficiaries of the land trust shall be the taxing authorities and tax bill owners or holders, if any, which held or owned tax bills against the respective parcel of real estate sold to the land trust at sheriff's foreclosure sale included in the judgment of the court, and their respective interests in each parcel of real estate shall be to the extent and in the proportion and according to the priorities determined by the court on the basis which the principal amount of their respective tax bills bore to the total principal amount of all of the tax bills described in the judgment.

**141.1009. 1.** The land trust shall be composed of three members, one of whom shall be appointed by the chief elected official of such city, one of whom shall be appointed by the city council of such city, and one of whom shall be appointed by the board of directors of the school district of such city.

**2.** The terms of office of the land trustees shall be for four years each, except that the terms of the first land trustees who shall be appointed by the foregoing appointing authorities, respectively, not sooner than twelve months and not later than eighteen months after sections 141.1000 to 141.1039 take effect, shall serve for the terms described in subsection 4 of this section.

**3.** Each land trustee shall have been a resident of such city for at least five years next prior to appointment, shall not hold other salaried or compensated public office by election or appointment during service as land trustee, the duties of which would in any way conflict with his or her duties as land trustee, and shall have had at least ten years experience in the management or sale of real estate.

**4.** Of the first land trustees appointed pursuant to sections 141.1000 to 141.1039, the land trustee appointed by the chief elected official of such city shall serve for a term ending February 1, 2002, the land trustee appointed by the board of directors of the school district of such city shall serve for a term expiring February 1, 2003, and the land trustee appointed by the city council of such city shall serve for a term expiring February 1, 2004. Each land trustee shall serve until his or her successor has been appointed and qualified.

**5.** Any vacancy in the office of land trustee shall be filled for the unexpired term by the same appointing authority which made the original appointment. If any appointing authority fails to make any appointment of a land trustee within the time the first appointments are required by sections 141.1000 to 141.1039 to be made, or within thirty days after any term expires or vacancy occurs, then the appointment shall be made by the chief elected official of such city with the advice and consent of the city council.

**6.** The members shall receive for their services as land trustees a salary of two thousand four hundred dollars per year.

**7.** Each land trustee may be removed for cause by the respective appointing authority, after public hearing, if requested by the land trustee, and an opportunity to be represented by counsel and to present evidence is afforded the trustee.

**141.1012. 1.** Such land trustees shall meet immediately after all three have been appointed and qualified and shall select a chairman, a vice chairman, a secretary, and an assistant secretary, who need not be a trustee.

**2.** Such trustees shall each furnish a surety bond in a penal sum not to exceed twenty-five thousand dollars to be approved by the collector, the premium on such bond

to be advanced by the collector out of the city funds. Such bond shall be issued by a surety company licensed to do business in the state of Missouri, which bond shall be deposited with the county clerk of the county in which the largest portion of such city lies, and shall be conditioned to guarantee the faithful performance of their duties hereunder, and shall be written to cover all the trustees.

3. Before entering upon the duties of his or her office, each trustee shall take and subscribe to the following oath: State  
of Missouri,

ss County of .....

I, ....., do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Missouri; that I will faithfully and impartially discharge my duties as a member of the Land Trust of ... (insert name of city), Missouri; that I will, according to my best knowledge and judgment, administer such tax delinquent lands held by me in trust, according to the laws of this state and for the benefit of the public bodies and the tax bill owners which I represent, so help me God.

.....

Subscribed and sworn to this.....day of ....., 19..... .

My commission expires: .....

.....  
Notary Public

141.1015. 1. The board of land trustees may appoint a land commissioner and such other employees and the attorneys that are required who are deemed necessary to carry out the responsibilities and duties imposed by sections 141.1000 to 141.1039 and may set the salaries and employee benefits and such other reasonable and proper costs and expenses as are related thereto.

2. The land commissioner shall furnish a surety bond at the expense of the land trust in a penal sum of not less than ten thousand dollars, to be approved by the land trustees, conditioned to guarantee the faithful performance of his or her duties. The bond shall be filed with the county clerk of the county in which the largest portion of such city lies.

3. The land commissioner, who shall be a person experienced in the management and sale of real estate, shall be executive officer and administrator of the land trust and shall manage all of its business, under the supervision, direction and control of the trustees.

141.1018. 1. Such land trust shall be a continuing body and shall have and adopt an official seal which shall bear on its face the words "Land Trust of ..... (insert name of city), Missouri", "Seal", and shall have the power to sue and issue deeds in its name, which deed shall be signed by the chairman or vice chairman, and attested by the secretary or assistant secretary and the official seal of the land trust affixed thereon, and shall have the general power to administer its business as any other corporate body.

2. The land trust may convey title to any real estate sold or conveyed by it by general or special warranty deed, and may convey an absolute title in fee simple, without in any case procuring any consent, conveyance or other instrument from the beneficiaries

for which it acts; provided that, each such deed shall recite whether the selling price represents a consideration equal to or in excess of two-thirds of the appraised value of such real estate so sold or conveyed, and if such selling price represents a consideration less than two-thirds of the appraised value of such real estate, then the land trustees shall first procure the consent thereto of not less than two of the three appointing authorities, which consent shall be evidenced by a copy of the action of each such appointing authority duly certified to by its clerk or secretary attached to and made a part of such deed.

**141.1021.** It shall be the duty of such land trust to administer the tax delinquent lands, as follows:

(1) Such land trust shall immediately assume possession and control of all real estate acquired by it pursuant to sections 141.1000 to 141.1039, cause the land commissioner to proceed to inventory and appraise such land, and thereafter keep and maintain a perpetual inventory of such real estate.

(2) It shall, upon recommendation of the land commissioner, classify such land as to its use, into the following three classifications:

(a) Suitable for private use;

(b) Suitable for public use;

(c) Not usable in its present condition or situation and held as a public land reserve.

(3) Such land trust shall make every effort to return land in classification (a) to such private ownership and use as soon as possible; to offer land classified in class (b) to any public body which shall indicate a need or a use therefor; the price and terms, in each case, to be in the sole discretion of the land trustees, subject to the provisions of subdivision (4) hereof; and shall study and make recommendations to taxing authorities as to possible use of real estate classified in class (c). In furtherance of this object such land trust shall have access to any and all records in any city or county office at any time and may call upon any and all city and county officers, departments, boards, planning commissions or other commissions for studies, statistics or recommendations. Such land trust shall prepare a list of all land in class (a), which list shall be corrected and amended from time to time in the discretion of the trustees. Such trustees may make a charge, not to exceed one dollar, for each copy of such list which money shall be used to help defray the costs of preparing such list. Any person may purchase a copy of such list. Any real estate agent or broker licensed to do business in any county in which such city lies may, when authorized by the trustees, sell any such property upon the terms and conditions imposed by the trustees, and the trustees are authorized and empowered to pay reasonable real estate commissions; provided that, nothing herein shall prohibit the trustees from selling or exchanging any such real estate directly to or with any purchaser.

(4) Such land trustees shall have power, and it shall be their duty, to manage, maintain, protect, rent, lease, repair, insure, alter, sell, trade, exchange or otherwise dispose of any such real estate, on such terms and conditions as may be determined in the sole discretion of the trustees. Such trustees may sell for cash or for terms of not less than ten percent cash at time of purchase, and the balance to be paid within not more than fifteen years from the time of such purchasing agreement, with interest at a legal rate, which sale shall be represented by contract for a deed or by purchaser's note, secured by mortgage or deed of trust on such real estate. Such land trustees may assemble tracts or parcels of real estate for public parks or other public purposes and to such end may exchange parcels,

and otherwise effectuate such purposes by agreement with any taxing authority.

(5) Such land trust shall adopt rules and regulations in harmony with sections 141.210 to 141.810, and shall keep records of all its transactions, which records shall be open to inspection of any taxing authority in the city and any taxing authority in any county in which such city may lie at any time. There shall be an annual audit of the affairs, accounts, expenses, and financial transactions of such land trust by certified public accountants as of December thirty-first of each year, which accountants shall be employed by the trustees on or before November first of each year, and certified copies thereof shall be furnished to the appointing authorities described in section 141.1009, and shall be available for public inspection at the offices of such appointing authorities.

141.1024. As a condition of the sale or other authorized conveyance of ownership of any unimproved parcel of land classified as residential property owned by the land trust to a private owner, unless the owner owns an adjacent improved parcel, such owner may be required to enter into a contract with the land trust stipulating that such owner or such owner's successor agree that the parcel of land shall, within three years of such sale, either be improved by a nontemporary structure or returned to the land trust by special warranty deed. The contract shall further state that if the private owner fails to comply with the stipulation that such owner shall be liable to the land trust for damages at the rate of one hundred dollars per month accruing on the first day of each month after the termination of the three-year period so long as the private owner fails to convey the parcel to the land trust. The performance of such agreement shall be secured by a deed of trust or other lien encumbering the parcel. If the land trust finds by resolution that the terms of the agreement have not been satisfied, the land trust shall be authorized to bring suit to recover damages for the breach and to redeem the ownership of such property without consideration or compensation by seeking a judicial foreclosure of such agreement pursuant to sections 443.190 to 443.260, RSMo, except that upon final judgment of the court, title shall revert to the land trust without necessity of sale. Notwithstanding section 141.1018, the original deed conveying title to the private owner shall contain a possibility of reverter upon the condition that the private owner fails to comply with the terms of the contract, with a right of reentry retained by the land trust. As an alternative to, or in addition to, seeking a judicial foreclosure, the land trust may exercise the right of reentry pursuant to chapter 524, RSMo, chapter 527, RSMo, or chapter 534, RSMo. The land trust shall assume title to the land by filing a copy of the judgment with the recorder of deeds in the county where the property is located. Any property redeemed by the land trust pursuant to this section shall be administered in the same manner as other property sold to the land trust.

141.1027. 1. Each annual budget of the land trust shall be itemized as to objects and purposes of expenditure, prepared not later than December fifteenth of each year, and shall include therein only such appropriations as shall be deemed necessary to meet the reasonable expenses of the land trust during the forthcoming fiscal year. Any unexpended funds from the preceding fiscal year shall be deducted from the amounts needed to meet the budget requirements of the forthcoming year.

2. Copies of the budget shall be made available to the public on or before December fifteenth, and a public hearing shall be had thereon prior to December twentieth, in each year.

3. The salaries and other expenses of such land trust and of its employees, incident to the administration of sections 141.210 to 141.810, including any expenditures authorized by section 141.760, shall be advanced and paid to the land trust upon its requisition therefor by such city. The land trust shall have power to requisition not to exceed twenty-five thousand dollars from such sources for each fiscal year of the land trust, but any amount in excess of twenty-five thousand dollars per year may be requisitioned by and paid to the land trust only if such additional sums are agreed to and approved by the city council. All moneys so requisitioned shall be paid in a lump sum within thirty days after the commencement of each fiscal year of the land trust, and shall be deposited to the credit of the land trust in some bank or trust company, subject to withdrawal by warrant as herein provided.

4. The fiscal year of the land trust shall commence on January first of each year. Such land trust shall audit all claims for the expenditure of money, and shall, acting by the chairman or vice chairman thereof, draw warrants therefor from time to time.

5. No warrant for the payment of any claim shall be drawn by such land trust until such claim shall have been approved by the land commissioner and shall bear the commissioner's certificate that there is a sufficient unencumbered balance in the proper appropriation and sufficient unexpended cash available for the payment thereof. For any certification contrary thereto, such land commissioner shall be liable personally and on his or her official bond for the amounts so certified, and shall thereupon be promptly removed from office by the land trustees.

141.1030. Such land trust shall set up and maintain a perpetual inventory on each tract of real estate, except that individual tracts may be consolidated and grouped or regrouped for economy or convenience.

141.1033. 1. Such land trust shall set up accounts on its books relating to the operation, management, or other expense of each individual parcel of real estate.

2. When any parcel of real estate is sold or otherwise disposed of by the land trust, the proceeds therefrom shall be applied and distributed in the following order:

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

(2) To the payment of any penalties, attorney's fees or costs which were included in the judgment originally entered against such parcel of real estate, plus its proportional part of the costs of sheriff's foreclosure sale, as shown on the books of the collector;

(3) To the payment of the costs of the care, improvement, operation, and management of such parcel of real estate as determined by the land trustees and apportioned to such parcel;

(4) The balance to be paid to the respective taxing authorities and tax bill owners, if any, in the proportion that the principal amounts of the tax bills of each such party bears to the total principal amount of all the tax bills included in the original judgment relating to such parcel of real estate and in the order of their respective priorities. After deduction of all sums charged to each account for various expenses, distribution shall be made to the respective taxing authorities and to tax bill owners having an interest in such parcel of real estate, on January first and July first of each year, and at such other times as the land trustees in their discretion may determine.

141.1036. Upon acquiring title to any real estate pursuant to sections 141.1000 to 141.1039, such land trust shall immediately notify the city assessor and the appropriate

county assessor of such ownership, and the interests of each taxing authority therein shall be exempt from all taxation, in the same manner and to the same extent as any other publicly owned real estate, and upon the sale or other disposition of any real estate held by it, such land trust shall immediately notify the city assessor and the appropriate county assessor of such change of ownership.

**141.1039. 1.** Neither such trustees nor any salaried employee of the land trust, provided for herein, shall receive any compensation, emolument or other profit directly or indirectly from the rental, management, purchase, sale or other disposition of any lands held by such land trust other than the salaries, expenses and emoluments provided for in sections 141.1000 to 141.1039.

**2.** Any person convicted of violating this section shall be deemed guilty of a class D felony.

**408.620.** Financial institutions, as defined in section 381.410, RSMo, which are mortgage servicers, shall pay property tax obligations which they service from escrow accounts, as defined in Title 24 Part 3500 Section 17, Code of Federal Regulations, in one annual payment before the first day of January of the year following the year for which the tax is levied. Escrow accounts established between such financial institutions and borrowers are contractually binding and may disallow the payment of property taxes more than once a year as such payments are authorized in section 139.053, RSMo.

**442.380.** Every instrument in writing that conveys any real estate, or whereby any real estate may be affected, in law or equity, proved or acknowledged and certified in the manner herein prescribed, shall be recorded in the office of the recorder of the county in which such real estate is situated. **For every written instrument that conveys any real estate having a tax-exempt status, if such instrument causes the real estate to again become taxable real property, then such instrument shall be recorded within sixty days of the transfer of title.**

**516.010. 1.** No action for the recovery of any lands, tenements or hereditaments, or for the recovery of the possession thereof, shall be commenced, had or maintained by any person, whether citizen, denizen, alien, resident or nonresident of this state, unless it appear that the plaintiff, [his] **such plaintiff's** ancestor, predecessor, grantor or other person under whom he **or she** claims was seized or possessed of the premises in question, within ten years before the commencement of such action.

**2.** The provisions of this section and chapter 272, RSMo, notwithstanding, an action pursuant to this section shall not lie if the record owner of the real property in issue has continuously fulfilled all obligations related to ownership of the property including, but not limited to, timely remittance of all taxes due thereon.