

HOUSE BILL NO. 175

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CRAWFORD (Sponsor) AND DUGGER (Co-sponsor).

0730H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 67.1521, 139.160, 139.170, 140.050, 140.150, 140.160, 140.230, 140.290, 140.300, 140.405, 140.460, 140.470, 140.665, and 140.730, RSMo, and to enact in lieu thereof fifteen new sections relating to delinquent property taxes.

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

Section A. Sections 67.1521, 139.160, 139.170, 140.050, 140.150, 140.160, 140.230, 140.290, 140.300, 140.405, 140.460, 140.470, 140.665, and 140.730, RSMo, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 67.1521, 139.160, 139.170, 140.050, 140.115, 140.150, 140.160, 140.230, 140.290, 140.300, 140.405, 140.460, 140.470, 140.665, and 140.730, to read as follows:

67.1521. 1. A district may levy by resolution one or more special assessments against real property within its boundaries, upon receipt of and in accordance with a petition signed by:

(1) Owners of real property collectively owning more than fifty percent by assessed value of real property within the boundaries of the district; and

(2) More than fifty percent per capita of the owners of all real property within the boundaries of the district.

2. The special assessment petition shall be in substantially the following form:

The (insert name of district) Community Improvement District ("District") shall be authorized to levy special assessments against real property benefitted within the District for the purpose of providing revenue for (insert general description of specific service and/or projects) in the district, such special assessments to be levied against each tract, lot or parcel of real property listed below within the district which receives special benefit as a result of such service and/or projects, the cost of which shall be allocated among this

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 property by (insert method of allocation, e.g., per square foot of property, per
15 square foot on each square foot of improvement, or by abutting foot of property abutting streets,
16 roads, highways, parks or other improvements, or any other reasonable method) in an amount
17 not to exceed dollars per (insert unit of measure). Such authorization to levy the special
18 assessment shall expire on (insert date). The tracts of land located in the district
19 which will receive special benefit from this service and/or projects are: (list of
20 properties by common addresses and legal descriptions).

21 3. The method for allocating such special assessments set forth in the petition may be
22 any reasonable method which results in imposing assessments upon real property benefitted in
23 relation to the benefit conferred upon each respective tract, lot or parcel of real property and the
24 cost to provide such benefit.

25 4. By resolution of the board, the district may levy a special assessment rate lower than
26 the rate ceiling set forth in the petition authorizing the special assessment and may increase such
27 lowered special assessment rate to a level not exceeding the special assessment rate ceiling set
28 forth in the petition without further approval of the real property owners; provided that a district
29 imposing a special assessment pursuant to this section may not repeal or amend such special
30 assessment or lower the rate of such special assessment if such repeal, amendment or lower rate
31 will impair the district's ability to pay any liabilities that it has incurred, money that it has
32 borrowed or obligations that it has issued.

33 5. Each special assessment which is due and owing shall constitute a perpetual lien
34 against each tract, lot or parcel of property from which it is derived. Such lien may be foreclosed
35 in the same manner as any other special assessment lien as provided in section 88.861.
36 Notwithstanding the provisions of this subsection and section 67.1541 to the contrary, [in any
37 county of the first classification with more than one hundred thirty-five thousand four hundred
38 but fewer than one hundred thirty-five thousand five hundred inhabitants,] the county collector
39 may, upon certification by the district for collection, add each special assessment to the annual
40 real estate tax bill for the property and collect the assessment in the same manner the collector
41 uses for real estate taxes. [In said counties, each] **Any** special assessment remaining unpaid on
42 the first day of January annually is delinquent and enforcement of collection of the delinquent
43 bill by the county collector shall be governed by the laws concerning delinquent and back taxes.
44 The lien may be foreclosed in the same manner as a tax upon real property by land tax sale under
45 chapter 140 or, if applicable to that county, chapter 141.

46 6. A separate fund or account shall be created by the district for each special assessment
47 levied and each fund or account shall be identifiable by a suitable title. The proceeds of such
48 assessments shall be credited to such fund or account. Such fund or account shall be used solely
49 to pay the costs incurred in undertaking the specified service or project.

50 7. Upon completion of the specified service or project or both, the balance remaining in
51 the fund or account established for such specified service or project or both shall be returned or
52 credited against the amount of the original assessment of each parcel of property pro rata based
53 on the method of assessment of such special assessment.

54 8. Any funds in a fund or account created pursuant to this section which are not needed
55 for current expenditures may be invested by the board in accordance with applicable laws
56 relating to the investment of funds of the city in which the district is located.

57 9. The authority of the district to levy special assessments shall be independent of the
58 limitations and authorities of the municipality in which it is located; specifically, the provisions
59 of section 88.812 shall not apply to any district.

139.160. 1. At the term of the county commission to be held on the [first] **second**
2 Monday in March, the collector shall return the delinquent lists and back tax books, and in the
3 city of St. Louis the uncollected tax bills and back tax books, under oath or affirmation, to such
4 commission, and settle his accounts of all moneys received by him on account of taxes and other
5 sources of revenue, and the amount of such delinquent lists, or so much thereof as the
6 commission shall find properly returned delinquent, shall be allowed and credited to him on his
7 settlement.

8 2. Before allowing the collector such credit for any delinquent lists, the county
9 commission shall make special inquiry and be fully satisfied that he has used due diligence to
10 collect the same, and that he could not find any personal property of the taxpayer out of which
11 to make the taxes.

12 3. If the commission is satisfied that there are any names on the lists of persons who have
13 personal property out of which the taxes could have been made, it shall, in passing upon such
14 lists, strike such names therefrom.

139.170. If there be no regular term of the county commission in any county on the [first]
2 **second** Monday in March, a special term of such commission shall be called by any two
3 commissioners thereof, to be held on that day in each year, for the purpose of making the
4 settlement required by this chapter; and if, from any cause, there shall be no meeting of the
5 commission held on that day, then it shall be the duty of the commission to receive the
6 delinquent lists and make settlement with the collector at the next term thereafter; provided, that
7 on the application of the collector, it shall be the duty of the presiding commissioner of the
8 county commission to call a special term for that purpose as soon as practicable.

140.050. 1. Except as provided in section 52.361, the county clerk shall file the
2 delinquent lists in the county clerk's office and within ten days thereafter make, under the seal
3 of the commission, the lists into a back tax book as provided in section 140.060.

4 2. Except as provided in section 52.361, when completed, the clerk shall deliver the book
5 **or an electronic copy thereof** to the collector taking duplicate receipts therefor, one of which
6 the clerk shall file in the clerk's office and the other the clerk shall file with the director of
7 revenue. The clerk shall charge the collector with the aggregate amount of taxes, interest, and
8 clerk's fees contained in the back tax book.

9 3. The collector shall collect such back taxes and may levy upon, seize and distrain
10 tangible personal property and may sell such property for taxes.

11 4. In the city of St. Louis, the city comptroller or other proper officer shall return the
12 back tax book together with the uncollected tax bills within thirty days to the city collector.

13 5. If any county commission or clerk in counties not having a county auditor fails to
14 comply with section 140.040, and this section, to the extent that the collection of taxes cannot
15 be enforced by law, the county commission or clerk, or their successors in office, shall correct
16 such omissions at once and return the back tax book to the collector who shall collect such taxes.

**140.115. Any person other than the owner or a mortgagee or other lienholder
2 described in section 139.070 who pays the original taxes, as charged against the tract of
3 land or town lot described in the back tax book together with interest from the day upon
4 which the tax first became delinquent at the rate specified in section 140.100 shall not
5 invoke a lien on said property or person. Any such lien so invoked on said property or
6 person shall be null and void.**

140.150. 1. All lands, lots, mineral rights, and royalty interests on which taxes or
2 [neighborhood improvement district] special assessments are delinquent and unpaid are subject
3 to sale to discharge the lien for the delinquent and unpaid taxes or unpaid special assessments
4 as provided for in this chapter on the fourth Monday in August of each year.

5 2. No real property, lots, mineral rights, or royalty interests shall be sold for state, county
6 or city taxes or special assessments without judicial proceedings, unless the notice of sale
7 contains the names of all record owners thereof, or the names of all owners appearing on the land
8 tax book and all other information required by law. Delinquent taxes or unpaid special
9 assessments, penalty, interest and costs due thereon may be paid to the county collector at any
10 time before the property is sold therefor. The collector shall send notices to the publicly recorded
11 owner of record before any delinquent and unpaid taxes or unpaid special assessments as
12 specified in this section subject to sale are published. The first notice shall be by first class mail.
13 A second notice shall be sent by certified mail only if the assessed valuation of the property is
14 greater than one thousand dollars. If the assessed valuation of the property is not greater than
15 one thousand dollars, only the first notice shall be required. If any second notice sent by certified
16 mail under this section is returned to the collector unsigned, then notice shall be sent before the
17 sale by first class mail to both the owner of record and the occupant of the real property. The

18 postage for the mailing of the notices shall be paid out of the county treasury, and such costs
19 shall be added to the costs of conducting the sale, and the county treasury shall be reimbursed
20 to the extent that such postage costs are recovered at the sale. The failure of the taxpayer or the
21 publicly recorded owner to receive the notice provided for in this section shall not relieve the
22 taxpayer or publicly recorded owner of any tax liability imposed by law.

23 3. The entry in the back tax book by the county clerk of the delinquent lands, lots,
24 mineral rights, and royalty interests constitutes a levy upon the delinquent lands, lots, mineral
25 rights, and royalty interests for the purpose of enforcing the lien of delinquent and unpaid taxes
26 or unpaid special assessments [as provided in section 67.469], together with penalty, interest and
27 costs.

140.160. 1. No proceedings for the sale of land and lots for delinquent taxes pursuant
2 to this chapter or unpaid special assessments [as provided in section 67.469], relating to the
3 collection of delinquent and back taxes and unpaid special assessments and providing for
4 foreclosure sale and redemption of land and lots therefor, shall be valid unless initial proceedings
5 therefor shall be commenced within three years after delinquency of such taxes and unpaid
6 special assessments, and any sale held pursuant to initial proceedings commenced within such
7 period of three years shall be deemed to have been in compliance with the provisions of said law
8 insofar as the time at which such sales are to be had is specified therein; provided further, that
9 in suits or actions to collect delinquent drainage and/or levee assessments on real estate such
10 suits or actions shall be commenced within three years after delinquency, otherwise no suit or
11 action therefor shall be commenced, had or maintained, except that the three-year limitation
12 described in this subsection shall not be applicable if any written instrument conveys any real
13 estate having a tax-exempt status, if such instrument causes such real estate to again become
14 taxable real property and if such instrument has not been recorded in the office of the recorder
15 in the county in which the real estate has been situated. Such three-year limitation shall only be
16 applicable once the recording of the title has occurred.

17 2. The county auditor in all counties having a county auditor shall annually audit
18 collections, deposits, and supporting reports of the collector and provide a copy of such audit to
19 the county collector and to the governing body of the county. A copy of the audit may be
20 provided to all applicable taxing entities within the county at the discretion of the county
21 collector.

140.230. 1. When real estate has been sold for taxes or other debt by the sheriff or
2 collector of any county within the state of Missouri, and the same sells for a greater amount than
3 the debt or taxes and all costs in the case it shall be the duty of the sheriff or collector of the
4 county, when such sale has been or may hereafter be made, to make a written statement
5 describing each parcel or tract of land sold by him for a greater amount than the debt or taxes and

6 all costs in the case together with the amount of surplus money in each case. The statement shall
7 be subscribed and sworn to by the sheriff or collector making it before some officer competent
8 to administer oaths within this state, and then presented to the county commission of the county
9 where the sale has been or may be made; and on the approval of the statement by the
10 commission, the sheriff or collector making the same shall pay the surplus money into the county
11 treasury, take the receipt in duplicate of the treasurer for the surplus of money and retain one of
12 the duplicate receipts himself and file the other with the county commission, and thereupon the
13 commission shall charge the treasurer with the amount.

14 2. The treasurer shall place such moneys in the county treasury to be held for the use and
15 benefit of the person entitled to such moneys or to the credit of the school fund of the county, to
16 be held in trust for the term of three years for the publicly recorded owner or owners of the
17 property sold at **the time of** the delinquent land tax auction or their legal representatives. At the
18 end of three years, if such fund shall not be called for **as part of a redemption or collector's**
19 **deed issuance**, then it shall become a permanent school fund of the county.

20 3. County commissions shall compel owners or agents to make satisfactory proof of their
21 claims before receiving their money; provided, that no county shall pay interest to the claimant
22 of any such fund.

140.290. 1. After payment shall have been made the county collector shall give the
2 purchaser a certificate in writing, to be designated as a certificate of purchase, which shall carry
3 a numerical number and which shall describe the land so purchased, each tract or lot separately
4 stated, the total amount of the tax, with penalty, interest and costs, and the year or years of
5 delinquency for which said lands or lots were sold, separately stated, and the aggregate of all
6 such taxes, penalty, interest and costs, and the sum bid on each tract.

7 2. If the purchaser bid for any tract or lot of land a sum in excess of the delinquent tax,
8 penalty, interest and costs for which said tract or lot of land was sold, such excess sum shall also
9 be noted in the certificate of purchase, in a separate column to be provided therefor. Such
10 certificate of purchase shall also recite the name and address of the owner or reputed owner if
11 known, and if unknown then the party or parties to whom each tract or lot of land was assessed,
12 together with the address of such party, if known, and shall also have incorporated therein the
13 name and address of the purchaser. Such certificate of purchase shall also contain the true date
14 of the sale and the time when the purchaser will be entitled to a deed for said land, if not
15 redeemed as in this chapter provided, and the rate of interest that such certificate of purchase
16 shall bear, which rate of interest shall not exceed the sum of ten percent per annum. Such
17 certificate shall be authenticated by the county collector, who shall record the same in a
18 permanent record book in his office before delivery to the purchaser.

19 3. Such certificate shall be assignable, but no assignment thereof shall be valid unless
20 endorsed on such certificate and acknowledged before some officer authorized to take
21 acknowledgment of deeds and an entry of such assignment entered in the record of said
22 certificate of purchase in the office of the county collector.

23 4. [For each certificate of purchase issued, including the recording of the same, the
24 county collector shall be entitled to receive and retain a fee of fifty cents, to be paid by the
25 purchaser and treated as a part of the cost of the sale, and so noted on the certificate. For noting
26 any assignment of any certificate the county collector shall be entitled to a fee of twenty-five
27 cents, to be paid by the person requesting such recital of assignment, and which shall not be
28 treated as a part of the cost of the sale.] For each certificate of purchase issued, as a part of the
29 cost of the sale, the purchaser shall pay to the collector the fee necessary to record such
30 certificate of purchase in the office of the county recorder. The collector shall record the
31 certificate of purchase before delivering such certificate of purchase to the purchaser.

32 5. No collector shall be authorized to issue a certificate of purchase to any nonresident
33 of the state of Missouri, however, any nonresident as described in subsection 2 of section
34 140.190 may appoint an agent, and such agent shall comply with the provisions of section
35 140.190 pertaining to a nonresident.

36 6. This section shall not apply to any post-third-year tax sale, except for nonresidents as
37 provided in subsection 5 of this section.

140.300. 1. The county collector, at the time of the sale and after the purchaser has made
2 payment of the amount of his bid shall endorse upon and annex to the certificate to be given to
3 the purchaser his written guaranty, signed by him, warranting that the taxes which are named in
4 the certificate are due upon the tract, lot, piece or parcel of land.

5 2. And if it at any time appears that the county collector before the time of making the
6 guaranty, received, either in person or by deputy, the taxes assessed against the tract, lot, piece
7 or parcel of land, the holder of the certificate is entitled to his action upon the written guaranty,
8 forthwith, upon the facts becoming known that the lands were by reason thereof **knowingly and**
9 **improperly** sold, and without waiting the accrual of any special damage to the holder. The
10 measure of damages to which the holder of the certificate is entitled is the amount paid by the
11 holder, as taxes, interest, penalty and charges, with lawful interest thereon, plus an additional
12 penalty of ten percent of the sums; or the holder is entitled to his action on the official bond of
13 the collector, against him and his sureties, as for dereliction in duty, in which action the measure
14 of damages is the same as above mentioned.

140.405. 1. Any person purchasing property at a delinquent land tax auction shall not
2 acquire the deed to the real estate, as provided for in section 140.250 or 140.420, until the person
3 meets the requirements of this section, except that such requirements shall not apply to

4 post-third-year sales, which shall be conducted under subsection 4 of section 140.250. The
5 purchaser shall obtain a title search report from a licensed attorney or licensed title company
6 detailing the ownership and encumbrances on the property. Such title search report shall be
7 declared invalid if the effective date is more than one hundred twenty days from the date the
8 purchaser applies for a collector's deed under section 140.250 or 140.420.

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

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

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

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

- 35 (1) **Notices of right to redeem sent by** first class mail;
36 (2) **Notices of right to redeem sent by** certified mail [notice];
37 (3) Addressed envelopes **for all notices**, as they appeared immediately before mailing;
38 (4) Certified mail receipt as it appeared upon its return; and

39 (5) Any returned regular mailed envelopes. As provided in this section, at such time the
40 purchaser notifies the collector by affidavit that all the ninety days' notice requirements of this
41 section have been met, the purchaser is authorized to acquire the deed, provided that a collector's
42 deed shall not be acquired before the expiration date of the redemption period as provided in
43 section 140.340.

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

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

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

62 9. Failure of the purchaser to comply with this section shall result in such purchaser's
63 loss of all interest in the real estate.

140.460. 1. Such conveyance shall be executed by the county collector, under his hand
2 and seal, [witnessed by the county clerk] and acknowledged before the county recorder or any
3 other officer authorized to take acknowledgments and the same shall be recorded in the recorder's
4 office before delivery; a fee for recording shall be paid by the purchaser and shall be included
5 in the costs of sale.

6 2. Such deed shall be prima facie evidence that the property conveyed was subject to
7 taxation at the time assessed, that the taxes were delinquent and unpaid at the time of sale, of the
8 regularity of the sale of the premises described in the deed, and of the regularity of all prior
9 proceedings, that said land or lot had not been redeemed and that the period therefor had elapsed,
10 and prima facie evidence of a good and valid title in fee simple in the grantee of said deed; and
11 such deed shall be in the following form, as nearly as the nature of the case will admit, namely:

48 Before me, the undersigned,, in and for said county, this day, personally came the
49 above-named C. D., collector of said county, and acknowledged that he executed the foregoing
50 deed for the uses and purposes therein mentioned.

51 In Witness Whereof, I have hereunto set my hand and seal this day of.
52 . . ., 20.

53 (L.S.)

140.470. [1.] In case circumstances should exist requiring any variation from the
2 foregoing form, in the recital part thereof, the necessary change shall be made by the county
3 collector executing such deed, and the same shall not be vitiated by any such change, provided
4 the substance be retained.

5 [2. The county collector shall be entitled to demand and receive from the person applying
6 therefor, for each tax deed, one dollar and fifty cents, which shall include the acknowledgment.]

140.665. Whenever the word "collector" is used in sections 140.050 to 140.660, as
2 applicable to counties which have adopted township organization, it shall be construed to mean
3 ["treasurer and ex officio collector"] "**collector-treasurer**". Where applicable it shall also refer
4 to the collector, or other proper officer, collecting taxes in any city or town. Where applicable
5 the word "county" as used in sections 140.050 to 140.660 shall be construed "city" and the words
6 "county clerk" shall be construed "city clerk or other proper officer".

140.730. 1. Tangible personal property [taxes assessed] **subject to assessment** on and
2 after January 1, 1946, and all personal taxes delinquent at that date, shall constitute a debt, as of
3 the date on which such taxes were levied for which a personal judgment may be recovered
4 against the party assessed with such taxes before any court of this state having jurisdiction.

5 2. All actions commenced pursuant to this law shall be prosecuted in the name of the
6 state of Missouri, at the relation and to the use of the collector and against the person or persons
7 named in the tax bill, and in one petition and in one count thereof may be included the said taxes
8 for all such years as may be delinquent and unpaid, and said taxes shall be set forth in a tax bill
9 or bills of said personal back taxes duly authenticated by the certificate of the collector and filed
10 with the petition; and said tax bill or tax bills so certified shall be prima facie evidence that the
11 amount claimed in said suit is just and correct, and all notices and process in suits pursuant to
12 this chapter shall be sued and served in the same manner as in civil actions, and the general laws
13 of this state as to practice and proceedings and appeals and writs of error in civil cases shall
14 apply, as far as applicable, to the above actions; provided, however, that in no case shall the state,
15 county, city or collector be liable for any costs nor shall any be taxed against them or any of
16 them.

17 3. For the purpose of this chapter, personal tax bills shall become delinquent on the first
18 day of January following the year the taxes are due, and suits thereon may be instituted on and

19 after the first day of February following, and within three years from said day. If the collector,
20 after using due diligence, is unable to collect any personal property taxes charged in the
21 delinquent tax list within three years following the year the taxes are due, the collector may
22 remove such personal property taxes from the delinquent or back taxes books in the same manner
23 as real estate is removed under section 137.260. Such abated amounts shall be reported on the
24 annual settlement made by a collector of revenue.

25 4. Said personal tax shall be presented and allowed against the estates of deceased or
26 insolvent debtors, in the same manner and with like effect, as other indebtedness of said debtors.
27 The remedy hereby provided for the collection of personal tax bills is cumulative, and shall not
28 in any manner impair other methods existing or hereafter provided for the collection of the same.

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