

FIRST REGULAR SESSION

HOUSE BILL NO. 734

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE TORPEY.

1841L.02I

D. ADAM CRUMBLISS, Chief Clerk

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

3 **139.054. 1. A property owner may authorize the collector to assign a lien for taxes,**
4 **special assessments, penalties, interest, and costs on the owner's real property to a third**
5 **party, who shall be a lien assignee under this section, in exchange for the assignee's**
6 **payment of all amounts due and owing by the property owner to the collector relating to**
7 **the lien.**

8 **2. The collector shall issue an assignment of the lien on the owner's real property**
9 **to the third party upon receipt of the following:**

10 **(1) The property owner's written authorization;**

11 **(2) Payment in the amount of taxes and special assessments due; and**

12 **(3) Proof of the assignee's registration as described in subsection 8 of this section.**

13 **3. The owner and assignee may enter into a payment agreement for all amounts**
14 **secured by the tax lien, including the amounts paid for the assignment, reasonable**
15 **transaction costs, interest of no more than sixteen percent per annum on those amounts or**
16 **no more than twelve percent per annum for a property owner who is sixty-five years of age**
or older as of the date of assignment, and reasonable and necessary collection costs and
fees.

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.

17 **4. A lien assigned by the collector under this section shall retain its priority as a**
18 **first lien for general taxes under section 141.250. The payment agreement, together with**
19 **the assignment issued to the assignee, shall serve as prima facie evidence of the priority of**
20 **and amount due in connection with the assigned lien.**

21 **5. If an owner defaults on an obligation under the payment agreement, the assignee**
22 **may commence an action in the circuit court to foreclose the assigned lien as provided in**
23 **chapter 443 no more than three years from the date of the default.**

24 **6. At least sixty days before commencing an action to foreclose the assigned lien,**
25 **the assignee shall provide notice to the holder of a recorded mortgage lien. The assignee**
26 **shall not recover a fee in connection with a foreclosure action if the fee is incurred within**
27 **thirty days of the date of the notice required by this subsection. Upon receipt of the notice,**
28 **the holder or servicer of the recorded first lien may obtain a release of the lien by paying**
29 **the assignee the amount due under the payment agreement described in subsection 3 of this**
30 **section.**

31 **7. (1) A property owner may authorize an initial assignment of liens more than**
32 **once under this section, but no property owner shall assign more than one lien at a time**
33 **under this section. Once the amount due on a lien assigned under this section has been**
34 **paid in full, the property owner may authorize another assignment under this section.**

35 **(2) Any authorization under this section may contain a provision allowing the**
36 **collector to assign subsequent liens for taxes or special assessments that become delinquent**
37 **within three years from the date of the original agreement. If the authorization contains**
38 **such a provision, the assignee shall tender payment to the collector within sixty days of the**
39 **date of the delinquency and the collector shall assign each additional lien upon receipt of**
40 **payment from the assignee.**

41 **8. An assignee under this section shall register annually with the department of**
42 **insurance, financial institutions and professional registration.**

43 **9. The department shall promulgate rules prescribing the form and content of the**
44 **owner's authorization and the collector's assignment, setting maximum transaction costs**
45 **in connection with the assignment of liens, and implementing the provisions of this section.**
46 **Any rule or portion of a rule, as that term is defined in section 536.010, that is created**
47 **under the authority delegated in this section shall become effective only if it complies with**
48 **and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.**
49 **This section and chapter 536 are nonseverable and if any of the powers vested with the**
50 **general assembly under chapter 536 to review, to delay the effective date, or to disapprove**
51 **and annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
52 **authority and any rule proposed or adopted after August 28, 2013, shall be invalid and**
53 **void.**