

HB 734 -- Assignment of Property Tax Liens

Sponsor: Torpey

This bill changes the laws regarding the assignment of property tax liens. In its main provisions, the bill:

(1) Allows a property owner to authorize the collector to assign a lien for the payment of taxes, special assessments, penalties, interest, and costs on the owner's real property to a third party;

(2) Specifies that the collector will issue the lien assignment after receiving written authorization from the property owner, proof the assignee is registered with the Department of Insurance, Financial Institutions and Professional Registration, and payment of all amounts owed by the property owner;

(3) Allows the owner and assignee to enter into an agreement to pay the costs for the lien, including reasonable transaction costs, interest up to 16% for owners younger than 65 years of age or 12% for owners 65 years of age and older, and reasonable and necessary collection costs and fees;

(4) Specifies that the liens assigned will retain priority as a first lien for general taxes under Section 141.250, RSMo. The payment agreement and issued assignment to the assignee will serve as prima facie evidence of the priority;

(5) Allows the assignee to commence action in circuit court to foreclose if an owner defaults on his or her obligations as provided in Chapter 443. The assignee must commence action within three years of the default date and must provide notice to the holder of a recorded mortgage lien at least 60 days prior to commencing action. No additional fee can be charged if it is incurred within 30 days of the notice date;

(6) Prohibits a property owner from having more than one lien under these provisions at a time; and

(7) Allows lien authorizations to contain a provision allowing the collector to assign subsequent liens for taxes or special assessments that become delinquent within three years from the date of the original agreement. The assignee is required to make payment within 60 days of the delinquency.