

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 613

98TH GENERAL ASSEMBLY

1344H.04P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 140.170, 140.310, 140.340, 140.350, 140.405, 140.410, and 140.420, RSMo, and to enact in lieu thereof eight new sections relating to the collection of delinquent real estate taxes.

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

Section A. Sections 140.170, 140.310, 140.340, 140.350, 140.405, 140.410, and  
2 140.420, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as  
3 sections 140.170, 140.195, 140.310, 140.340, 140.350, 140.405, 140.410, and 140.420, to read  
4 as follows:

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

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

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

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

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

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

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

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

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

36 8. If, in the opinion of the county collector, an adequate legal description of the  
37 delinquent land and lots cannot be obtained through researching the documents available through  
38 the recorder of deeds, the collector may commission a professional land surveyor to prepare an  
39 adequate legal description of the delinquent land and lots in question. The costs of any  
40 commissioned land survey deemed necessary by the county collector shall be taxed as part of the  
41 costs of the 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, or agent of any  
2 tax sale purchaser performing duties under this chapter shall have the lawful right to enter  
3 upon the land of another without being guilty of trespass, if he or she is in the course of  
4 providing or attempting to provide notice of a tax sale or tax sale redemption rights and  
5 it is necessary to enter upon such land to provide, serve, or post such notice.**

140.310. 1. The purchaser of any tract or lot of land at sale for delinquent taxes,  
2 homesteads excepted, shall at any time after one year from the date of sale be entitled to the  
3 immediate possession of the premises so purchased during the redemption period provided for

4 in this law, unless sooner redeemed; provided, however, any owner or occupant of any tract or  
5 lot of land purchased may retain possession of said premises by making a written assignment of,  
6 or agreement to pay, rent certain or estimated to accrue during such redemption period or so  
7 much thereof as shall be sufficient to discharge the bid of the purchaser with interest thereon as  
8 provided in the certificate of purchase.

9         2. The purchaser, his **or her** heirs or assigns may enforce his **or her** rights under said  
10 written assignment or agreement in any manner now authorized or hereafter authorized by law  
11 for the collection of delinquent and unpaid rent; provided further, nothing herein contained shall  
12 operate to the prejudice of any owner not in default and whose interest in the tract or lot of land  
13 is not encumbered by the certificate of purchase, nor shall it prejudice the rights of any occupant  
14 of any tract or lot of land not liable to pay taxes thereon nor such occupant's interest in any  
15 planted, growing or unharvested crop thereon.

16         3. Any additions or improvements made to any tract or lot of land by any occupant  
17 thereof, as tenant or otherwise, and made prior to such tax sale, which such occupant would be  
18 permitted to detach and remove from the land under his **or her** contract of occupancy shall also,  
19 to the same extent, be removable against the purchaser, his **or her** heirs or assigns.

20         4. Any rent collected by the purchaser, his **or her** heirs or assigns shall operate as a  
21 payment upon the amount due the holder of such certificate of purchase, and such amount or  
22 amounts, together with the date paid and by whom shall be endorsed as a credit upon said  
23 certificate, and which said sums shall be taken into consideration in the redemption of such land,  
24 as provided for in this chapter.

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

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

140.340. 1. **Upon paying the reasonable and customary costs of sale to the county**  
2 **collector for the use of the purchaser, his or her heirs, successors, or assigns;** the owner;  
3 **lienholder;** or occupant of any land or lot sold for taxes, or any other persons having an interest  
4 therein, [may] **shall have the absolute right to** redeem the same at any time during the one year  
5 next ensuing[, in the following manner] **and shall continue to have a defeasible right to**  
6 **redeem the same until such time as the tax sale purchaser acquires the deed, at which time**

7 **the right to redeem shall expire, provided upon the expiration of the lien evidenced by a**  
8 **certificate of purchase under section 140.410 no redemption shall be required.**

9 **2. The reasonable and customary costs of sale include all costs incurred in selling**  
10 **and foreclosing tax liens under this chapter, and such reasonable and customary costs shall**  
11 **include the following:** [by paying to the county collector, for the use of the purchaser, his heirs  
12 or assigns,] the full sum of the purchase money named in [his] **the** certificate of purchase and all  
13 the [cost] **costs** of the sale, including the cost to record the certificate of purchase as required in  
14 section 140.290, the fee necessary for the collector to record the release of such certificate of  
15 purchase, and the **reasonable and customary** cost of the title search and [mailings] **postage**  
16 **costs** of notification required in sections 140.150 to 140.405, together with interest at the rate  
17 specified in such certificate, not to exceed ten percent annually, except on a sum paid by a  
18 purchaser in excess of the delinquent taxes due plus costs of the sale **incurred by the collector,**  
19 no interest shall be owing on the excess amount, with all subsequent taxes which have been paid  
20 thereon by the purchaser, his **or her** heirs or assigns with interest at the rate of eight percent per  
21 annum on such taxes subsequently paid, and in addition thereto the person redeeming any land  
22 shall pay the costs incident to entry of recital of such redemption; **provided, however, that no**  
23 **costs incurred by tax sale purchasers in providing notice of tax sale redemption rights**  
24 **required by law shall be reimbursable as a reasonable and customary cost of sale unless**  
25 **such costs are incurred after March first following the date of purchase of the tax sale**  
26 **certificate by said tax sale purchaser at a first or second offering delinquent tax sale.**

27 [2.] **3.** Upon deposit with the county collector of the amount necessary to redeem as  
28 herein provided, it shall be the duty of the county collector to mail to the purchaser, his **or her**  
29 heirs or assigns, at the last post office address if known, and if not known, then to the address  
30 of the purchaser as shown in the record of the certificate of purchase, notice of such deposit for  
31 redemption.

32 [3.] **4.** Such notice, given as herein provided, shall stop payment to the purchaser, his **or**  
33 **her** heirs or assigns of any further interest or penalty.

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

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

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

5 **or any representative of such person**, in the same manner as provided in section 140.340 for  
6 redemption by other persons.

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] 5 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;  
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, the holder of any other publicly recorded claim  
52 on the property, that such person shall have ninety days to redeem said property or be forever  
53 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 **except as otherwise provided in sections 140.550 and**  
64 **140.570.**

65 9. The phrase “authorized to acquire the deed” as used in this chapter shall mean  
66 the date chosen by the tax sale purchaser that is more than the minimum redemption  
67 period set forth in section 140.340 if the tax sale purchaser has complied with the following  
68 requirements entitling the purchaser to the issuance of a collector’s deed:

69 (1) Compliance with the requirements of this section to the satisfaction of the  
70 collector;

71           **(2) Payment of the recording fee for the collector's deed as required under section**  
72 **140.410;**

73           **(3) Production of the original of the certificate of purchase as required under**  
74 **section 140.420, or production of an original affidavit of lost or destroyed certificate**  
75 **approved by the collector as to form and substance; and**

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

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

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

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

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

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

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

91           **(6) By any other means not prohibited by international agreement as approved by**  
92 **the collector.**

140.410. In all cases where lands have been or may hereafter be sold for delinquent  
2 taxes, penalty, interest and costs due thereon, and a certificate of purchase has been or may  
3 hereafter be issued, it is hereby made the duty of such purchaser, his **or her** heirs or assigns, to  
4 cause all subsequent taxes to be paid on the property purchased prior to the issuance of any  
5 collector's deed, and the purchaser shall further cause a deed to be executed and placed on record  
6 in the proper county all within [two years] **eighteen months** from the date of said sale; provided,  
7 that on failure of said purchaser, his **or her** heirs or assigns so to do, then and in that case the  
8 amount due such purchaser shall cease to be a lien on said lands so purchased as herein provided.  
9 Upon the purchaser's forfeiture of all rights of the property acquired by the certificate of purchase  
10 issued, and including the nonpayment of all subsequent years' taxes as described in this section,  
11 it shall be the responsibility of the collector to record the cancellation of the certificate of  
12 purchase in the office of the recorder of deeds of the county. Certificates of purchase cannot be  
13 assigned to nonresidents or delinquent taxpayers. However, any person purchasing property at  
14 a delinquent land tax sale who meets the requirements of this section, prior to receiving a

15 collector's deed, shall pay to the collector the fee necessary for the recording of such collector's  
16 deed to be issued. It shall be the responsibility of the collector to record the deed before  
17 delivering such deed to the purchaser of the property.

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

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