

FIRST REGULAR SESSION

HOUSE BILL NO. 717

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FALKNER.

1646H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 140.190, 140.984, 140.985, and 140.988, RSMo, and to enact in lieu thereof four new sections relating to land banks.

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

Section A. Sections 140.190, 140.984, 140.985, and 140.988, RSMo, are repealed
2 and four new sections enacted in lieu thereof, to be known as sections 140.190, 140.984,
3 140.985, and 140.988, to read as follows:

140.190. 1. On the day mentioned in the notice, the county collector shall commence
2 the sale of such lands, and shall continue the same from day to day until each parcel assessed
3 or belonging to each person assessed shall be sold as will pay the taxes, interest and charges
4 thereon, or chargeable to such person in said county.

5 2. (1) The person or land bank agency offering at said sale to pay the required sum
6 for a tract shall be considered the purchaser of such land; provided, no sale shall be made to
7 any person or designated agent who[
8

9 ~~(a)]~~ is currently delinquent on any tax payments on any property, other than a
10 delinquency on the property being offered for sale, and who does not sign an affidavit stating
11 such at the time of sale. Failure to sign such affidavit as well as signing a false affidavit may
12 invalidate such sale[
13

14 ~~(b) Is a member of the governing body of a land bank agency;~~

15 ~~(c) Is an employee of a land bank agency;~~

~~(d) Is an elected or appointed official of the governing body, or an employee of such
official, of the political subdivision in which a land bank agency is located; or~~

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.

16 ~~(e) Is related within the second degree of consanguinity to a person described in~~
17 ~~paragraphs (b) to (d) of this subdivision].~~

18 (2) No bid shall be received from any person not a resident of the state of Missouri or
19 a foreign corporation or entity all deemed nonresidents. A nonresident shall file with said
20 collector an agreement in writing consenting to the jurisdiction of the circuit court of the
21 county in which such sale shall be made, and also filing with such collector an appointment of
22 some citizen of said county as agent of said nonresident, and consenting that service of
23 process on such agent shall give such court jurisdiction to try and determine any suit growing
24 out of or connected with such sale for taxes. After the delinquent auction sale, any certificate
25 of purchase shall be issued to the agent. After meeting the requirements of section 140.405,
26 the property shall be conveyed to the agent on behalf of the nonresident, and the agent shall
27 thereafter convey the property to the nonresident. A collector may preclude a prospective
28 bidder from participating in a sale for failure to comply with any of the provisions of this
29 section.

30 3. All such written consents to jurisdiction and selective appointments shall be
31 preserved by the county collector and shall be binding upon any person or corporation
32 claiming under the person consenting to jurisdiction and making the appointment herein
33 referred to; provided further, that in the event of the death, disability or refusal to act of the
34 person appointed as agent of said nonresident the county clerk shall become the appointee as
35 agent of said nonresident.

36 4. No person ~~[residing in any home rule city with more than seventy one thousand but~~
37 ~~fewer than seventy nine thousand inhabitants]~~ shall be eligible to offer to purchase lands
38 under this section unless such person has, no later than ten days before the sale date,
39 demonstrated to the satisfaction of the official charged by law with conducting the sale that
40 the person is not the owner of any parcel of real property that has two or more violations of
41 the municipality's building or housing codes. A prospective bidder may make such a
42 demonstration by presenting statements from the appropriate collection and code enforcement
43 officials of the municipality. This subsection shall not apply to any taxing authority or land
44 bank agency, and entities shall be eligible to bid at any sale conducted under this section
45 without making such a demonstration.

140.984. 1. The income of a land bank agency shall be exempt from all taxation by
2 the state and by any of its political subdivisions. Upon acquiring title to any real estate, a land
3 bank agency shall immediately notify the county assessor and the county collector of such
4 ownership; all taxes, special taxes, fines, and fees on such real estate shall be deemed satisfied
5 by transfer to the land bank agency; and such property shall be exempt from all taxation
6 during the land bank agency's ownership thereof, in the same manner and to the same extent
7 as any other publicly owned real estate. Upon the sale or other disposition of any real estate

8 held by it, the land bank agency shall immediately notify the county assessor and the county
9 collector of such change of ownership. However, that such tax exemption for improved and
10 occupied real property held by the land bank agency as a lessor pursuant to a ground lease
11 shall terminate upon the first occupancy, and the land bank agency shall immediately notify
12 the county assessor and the county collector of such occupancy.

13 2. A land bank agency may acquire real property by gift, devise, transfer, exchange,
14 foreclosure, purchase, or pursuant to sections 141.560 to 141.580 or section 141.821, except a
15 land bank agency shall not acquire property located partially or wholly outside the boundaries
16 of the county or municipality that established such land bank agency. ~~[For purchases of real
17 property not made through foreclosure or pursuant to sections 141.560 to 141.580, a land
18 bank agency may only purchase real property if such property is adjacent to real property
19 already owned by the land bank agency.]~~

20 3. A land bank agency may acquire property by purchase contracts, lease purchase
21 agreements, installment sales contracts, and land contracts and may accept transfers from
22 political subdivisions upon such terms and conditions as agreed to by the land bank agency
23 and the political subdivision. A land bank agency may~~[, for the purpose of adding to a parcel
24 already owned by the land bank agency,]~~ bid on any parcel of real estate offered for sale,
25 offered at a foreclosure sale under sections 140.220 to 140.250, offered at a sale conducted
26 under section 140.190, 140.240, or 140.250, or offered at a foreclosure sale under section
27 141.550. Notwithstanding any other law to the contrary, any political subdivision may
28 transfer to the land bank agency real property and interests in real property of the political
29 subdivision on such terms and conditions and according to such procedures as determined by
30 the political subdivision.

31 4. A land bank agency shall maintain all of its real property in accordance with the
32 laws and ordinances of the jurisdictions in which the real property is located.

33 5. Upon issuance of a deed to a parcel of real estate to a land bank agency under
34 subsection 4 of section 140.250, subsection 5 of section 140.405, other sale conducted under
35 section 140.190, 140.240, or 140.250, or section 141.550, the land bank agency shall pay only
36 the amount of the land bank agency's bid that exceeds the amount of all tax bills included in
37 the judgment, interest, penalties, attorney's fees, taxes, and costs then due thereon. If the real
38 estate is acquired in a delinquent land tax auction under subsection 4 of section 140.250,
39 subsection 5 of section 140.405, or other sale conducted under section 140.190, 140.240, or
40 140.250, such excess shall be applied and distributed in accordance with section 140.230. If
41 the real estate is acquired in a delinquent land tax auction under section 141.550, such excess
42 shall be applied and distributed in accordance with subsections 3 and 4 of section 141.580,
43 exclusive of subdivision (3) of subsection 3 of section 141.580. Upon issuance of a deed, the
44 county collector shall mark the tax bills included in the judgment as "cancelled by sale to the

45 land bank" and shall take credit for the full amount of such tax bills, including principal
46 amount, interest, penalties, attorney's fees, and costs, on the county collector's books and in
47 the county collector's statements with any other taxing authorities.

48 6. A land bank shall not own real property unless the property is wholly located
49 within the boundaries of the county or municipality that established the land bank agency.

50 7. Within one year of the effective date of the ordinance, resolution, or rule passed
51 establishing a municipal land bank agency under subsection 2 of section 140.981, the title to
52 any real property that is located wholly within the municipality that created the land bank
53 agency and that is held by a land trust created under subsection 1 of section 141.821 shall be
54 transferred by deed from the land trust to such land bank agency, at the land bank agency's
55 request.

140.985. 1. A land bank agency shall hold in its own name all real property acquired
2 by such land bank agency irrespective of the identity of the transferor of such property.

3 2. A land bank agency shall maintain and make available for public review and
4 inspection an inventory and history of all real property the land bank agency holds or
5 formerly held. This inventory and history shall be available on the land bank agency's
6 website and include at a minimum:

- 7 (1) Whether a parcel is available for sale;
- 8 (2) The address of the parcel if an address has been assigned;
- 9 (3) The parcel number if no address has been assigned;
- 10 (4) The month and year that a parcel entered the land bank agency's inventory;
- 11 (5) Whether a parcel has sold;
- 12 (6) If a parcel has sold, the name of the person or entity to which it was sold; and
- 13 (7) Whether the parcel was acquired by the land bank agency through judicial
14 foreclosure, nonjudicial foreclosure, donation, or some other manner.

15 3. The land bank agency shall determine and set forth in policies and procedures the
16 general terms and conditions for consideration to be received by the land bank agency for the
17 transfer of real property and interests in real property. Consideration may take the form of
18 monetary payments and secured financial obligations, covenants, and conditions related to the
19 present and future use of the property; contractual commitments of the transferee; and such
20 other forms of consideration as the land bank agency determines to be in the best interest of
21 the land bank agency.

22 4. A land bank agency may convey, exchange, sell, transfer, grant, release and
23 demise, pledge, and hypothecate any and all interests in, upon, or to property of the land bank
24 agency. A land bank agency may gift any interest in, upon, or to property to the county or
25 municipality that established the land bank agency.

26 5. A county or municipality may, in its resolution, ordinance, or rule creating a land
27 bank agency, establish a hierarchical ranking of priorities for the use of real property
28 conveyed by such land bank agency, including, but not limited to:

- 29 (1) Use for purely public spaces and places;
30 (2) Use as wildlife conservation areas;
31 (3) Use as a green field area; and
32 (4) To return to private use.

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34 If a county or municipality, in its resolution, ordinance, or rule creating a land bank agency,
35 establishes priorities for the use of real property conveyed by the land bank agency, such
36 priorities shall be consistent with and no more restrictive than municipal planning and zoning
37 ordinances.

38 6. The land bank agency may delegate to officers and employees the authority to
39 enter into and execute agreements, instruments of conveyance, and all other related
40 documents pertaining to the conveyance of property by the land bank agency.

41 7. ~~[Any property sold by a land bank agency that was acquired through purchase,~~
42 ~~transfer, exchange, or gift shall be sold.~~

43 ~~8.]~~ When any parcel of real estate acquired by a land bank agency is sold or otherwise
44 disposed of by such land bank agency, the proceeds therefrom shall be applied and distributed
45 in the following order:

- 46 (1) To the payment of the expenses of the sale;
47 (2) To fulfill the requirements of the resolution, indenture, or other financing
48 documents adopted or entered into in connection with bonds, notes, or other obligations of the
49 land bank agency, to the extent that such requirements may apply with respect to such parcel
50 of real estate;

51 (3) To the land bank agency to pay the salaries and other expenses of such land bank
52 agency and of its employees as provided for in its annual budget; and

53 (4) Any funds in excess of those necessary to meet the expenses of the annual budget
54 of the land bank agency in any fiscal year and a reasonable sum to carry over into the next
55 fiscal year to assure that sufficient funds will be available to meet initial expenses for that
56 next fiscal year shall be paid to the respective taxing authorities that, at the time of the
57 distribution, are taxing the real property from which the proceeds are being distributed. The
58 distributions shall be in proportion to the amounts of the taxes levied on the properties by the
59 taxing authorities. Distribution shall be made on January first and July first of each year, and
60 at such other times as the land bank agency may determine.

140.988. 1. (1) A land bank agency may receive funding through grants and gifts
2 from political subdivisions, the state, the federal government, and other public and private
3 sources.

4 (2) A land bank agency may receive funding through gifts from any source, provided
5 that the land bank agency shall not sell or otherwise transfer by any means any real property
6 held by the land bank agency to the entity from which the land bank agency received a gift
7 pursuant to this subdivision.

8 2. [~~Except as otherwise provided in subsection 7 of section 140.985;~~] A land bank
9 agency may receive and retain payments for services rendered, for consideration for
10 disposition of real and personal property, for proceeds of insurance coverage for losses
11 incurred, for income from investments, and for any other asset and activity lawfully permitted
12 to a land bank agency under the chapter 140 land bank act.

13 3. If a land bank agency sells or otherwise disposes of a parcel of real estate held by
14 it, any land taxes assessed against such parcel for the three tax years following such sale or
15 disposition by such land bank agency that are collected by the county collector in a calendar
16 year and not refunded, less the fees provided under section 52.260 and subsection 4 of this
17 section and less the amounts to be deducted under section 137.720, shall be distributed by the
18 county collector to such land bank agency no later than March first of the following calendar
19 year, provided that land taxes impounded under section 139.031 or otherwise paid under
20 protest shall not be subject to distribution under this subsection. Any amount required to be
21 distributed to a land bank agency under this subsection shall be subject to offset for amounts
22 previously distributed to such land bank agency that were assessed, collected, or distributed in
23 error.

24 4. In addition to any other provisions of law related to collection fees, the county
25 collector shall collect on behalf of the county a fee of four percent of reserve period taxes
26 collected and such fees collected shall be deposited in the county general fund.

27 5. If a county has established a land bank agency under subsection 1 of section
28 140.981, the collector may collect on behalf of the county a fee for the collection of
29 delinquent and back taxes of up to five percent on all sums collected to be added to the face of
30 the tax bill and collected from the party paying the tax. All fees collected under the
31 provisions of this subsection shall be paid to the land bank agency established under
32 subsection 1 of section 140.981.

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