Overview

Makes numerous changes to the tax forfeiture procedures, many of which are technical. It also repeals obsolete provisions and updates archaic language. The substantive provisions are:

shortening the time period when a county board must withhold a parcel from sale from one year to six months and requiring the local government to pay the maintenance costs during the six month period;

allowing the county to impose certain conditions on the repurchase of tax-forfeited land limiting the use; and

eliminating the ability of the city and school to object to certain abatements.

providing that residential rental property that has been reclassified from 4bb to 4b and that has any delinquent property taxes on it, is not eligible for treatment under the confession of judgment option.

1 Tax certificates. Repeals archaic references to tax lien certificates.

2 Confession of judgment; certain class 4b property. Provides that residential rental property that has been reclassified from 4bb to 4b and that has any delinquent property taxes on it, is not eligible for treatment under the confession of judgment option.

3 Confession of judgment; class 3A. Changes the threshold from "less than $200,000" to "$200,000 or less" to allow properties that have a market value of $200,000 to be eligible for a confession of judgment. Requires that current year taxes and penalty due at the time the confession of judgment is entered must be paid.

4 Installment payments. Requires the current year taxes and penalty due at time of setting up the confession of judgment installment plan, to be paid at the time the first installment payment is made.
Notice of expiration of redemption. Makes the notice of expiration of redemption form easier to understand. Makes it optional to include the current address of affected persons on the notice.

Proof of publication. Removes detailed descriptions and separate headings for each tax judgment year in the notice of expiration of redemption publication, by allowing the publication to include parcels of land bid in at different tax judgement sales as long as the parcels have a common year for expiration.

Service of notice. Provides that the sheriff’s service on tax forfeited lands is accomplished after making two attempts to serve the notice in person and then posting a copy of the notice on a conspicuous location on the parcel. Under current law, the sheriff must continue to try to serve a copy of the notice of expiration of redemption upon the person in possession of each tax-forfeited parcel.

Time period before sale. Shortens the time period when the county board must withhold a parcel from sale from one year to six months. It also requires the municipality or governmental subdivision to pay the maintenance costs during the six-month period. Under current law the county board must withhold a tax-forfeited parcel from public sale for one year if the municipality requests that it do so; and there is no requirement that the county is reimbursed for maintenance costs on the parcel during that time period.

Shortens the time given to the city or town to file an application to withhold a parcel from public sale from 90 days to 60 days.

Payment requirements. Allows more flexibility for counties to provide monthly payments. Currently, the law allows the purchase of tax forfeited land to be paid in full or in ten annual installments. This change allows them to be made in up to 12 installments annually.

County sales. Clarifies that the former owner must pay the greater of either the bid price at the auction or the total amount of the taxes, assessments, penalties, interests and costs due at time of forfeiture.

Maintenance of the forfeited land. Clarifies that the county, with the approval of the county board, provide for not only repair and improvement, but also maintenance (e.g. snow shoveling) of tax-forfeited lands.

Apportionment of proceeds. Allows the expenditures to be charged to the forfeited tax sale fund.

Forfeited tax sale fund. Requires that the disbursements must be charged to the forfeited tax sale fund. Under current law, expenditures for tax forfeit land must be charged to the account of the taxing districts interested in the parcels.

Repurchases after forfeiture. Requires the person seeking to repurchase the property must pay all maintenance costs incurred by the county during the time the property was tax-forfeited.

Service fee. Requires the service fee to be paid at the time of application, rather than only at the time the contract is entered into.

Conditions of repurchase. Allows the county auditor, upon county board approval, to impose conditions on repurchase of tax-forfeited lands limiting the use of the parcel subject to the repurchase. This includes environmental remediation action plan restrictions or covenants; easements for lines or equipment for utilities, or other conditions which will promote the use of the lands that will best serve the public interest.

Tax certificates. Deletes reference to tax certificate.

Procedure; conditions. Eliminates the provision that allows the school or municipality from objecting to the abatement and having it referred to the commissioner of revenue. This only applies if the refund of taxes, penalties, interest and costs exceed $10,000. The refund would be
mailed to the taxpayer immediately.
Under current law, the counties must withhold the refund to the taxpayer for 20 days while waiting to see if the city or school district objects. The refund is generally from the property being over valued or improperly classified. If the city or school district objects to the abatement, then the county refers the reduction to the commissioner of revenue for consideration.

19 **Record search; St. Louis county.** Eliminates the requirement that the St. Louis county auditor lists the name of the purchaser at a tax sale. The St. Louis county auditor must search the records, upon the written application of any person, in order to find the amount of tax, tax liens, tax years covered, and tax sales, but would not be required to list the name of the purchaser.

20 **Repealers.** Repeals obsolete sections that refer to tax certificates.
   - 92.22 - refunds of tax certificates on reform school lands;
   - 280.27 - applications for state tax deeds;
   - 281.13 - notice of expiration of redemption;
   - 281.38 - redemption money to purchaser; lost certificate;
   - 284.01 - tax judgment or sale set aside; purchaser's lien; sale to satisfy;
   - 284.02 - who may purchase;
   - 284.03 - redemption from sale;
   - 284.04 - action to quiet title;
   - 284.05 - when defendant a minor, ward, or mentally ill;
   - 284.06 - plaintiff to pay taxes in action to set aside.

21 **Effective date.** Provides for an effective date of September 1, 1999 except sections 11 to 14 are effective January 1, 2000.