

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1251
99TH GENERAL ASSEMBLY

Reported from the Committee on Insurance and Banking, April 30, 2018, with recommendation that the Senate Committee Substitute do pass.

4139S.03C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal section 140.230, RSMo, and to enact in lieu thereof one new section relating to foreclosure proceeds.

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

Section A. Section 140.230, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 140.230, to read as follows:

140.230. 1. When real estate has been sold for taxes or other debt by the
2 sheriff or collector of any county within the state of Missouri, and the same sells
3 for a greater amount than the debt or taxes and all costs in the case it shall be
4 the duty of the sheriff or collector of the county, when such sale has been or may
5 hereafter be made, to make a written statement describing each parcel or tract
6 of land sold by him for a greater amount than the debt or taxes and all costs in
7 the case together with the amount of surplus money in each case. The statement
8 shall be subscribed and sworn to by the sheriff or collector making it before some
9 officer competent to administer oaths within this state, and then presented to the
10 county commission of the county where the sale has been or may be made; and
11 on the approval of the statement by the commission, the sheriff or collector
12 making the same shall pay the surplus money into the county treasury, take the
13 receipt in duplicate of the treasurer for the surplus of money and retain one of
14 the duplicate receipts [himself] and file the other with the county commission,
15 and thereupon the commission shall charge the treasurer with the amount.

16 2. The treasurer shall place such moneys in the county treasury to be held
17 for the use and benefit of the person entitled to such moneys or to the credit of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 the school fund of the county, to be held in trust for the **lesser of a** term of three
19 **years or ninety days following the expiration of the redemption period**
20 **for the lienholders of record or for the** publicly recorded owner or owners of
21 the property sold at the time of the delinquent land tax auction or their legal
22 representatives. **The surplus shall be first distributed to the former**
23 **lienholders of record, by priority of the former liens, if any, then to the**
24 **former owner or owners of the property. Lien priority shall be set as**
25 **of the date of the tax sale. No surplus funds shall be distributed to any**
26 **party claiming entitlement to such funds, other than as part of the**
27 **redemption process, until ninety days have passed after the period of**
28 **redemption has expired.** At the end of three years, if [such fund shall not be]
29 **any funds have not been distributed or** called for as part of a redemption or
30 collector's deed issuance, then [it] **such funds** shall become a permanent school
31 fund of the county.

32 3. County commissions shall compel owners, **lienholders of record,** or
33 agents to make satisfactory proof of their claims before receiving their money;
34 provided, that no county shall pay interest to the claimant of any such fund. **Any**
35 **such claim shall be filed with the county commission within ninety days**
36 **after the expiration of the redemption period, be made in writing, and**
37 **include reference to the lien of record upon which the claim is**
38 **made. The reference shall include the county recorder's recording**
39 **reference information such as book and page number, document**
40 **number, or other reference information if the lien is not referenced**
41 **either by book or page number or document number. Should more than**
42 **one party make claim to any surplus funds and those parties are unable**
43 **to reach an agreement satisfactory to the county commission, the**
44 **county commission shall petition the circuit court within the county**
45 **where the county commission sits for interpleader. The county**
46 **commission shall only be required to name as defendants those parties**
47 **who have made claim to the funds. Upon judgment sustaining the**
48 **petition for interpleader and the subsequent tender of the surplus**
49 **funds to the court registry, the county commission so tendering such**
50 **funds shall be entitled to seek discharge from the case.**

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