

HCS HB 1251 -- FORECLOSURE PROCEEDS

SPONSOR: Plocher

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 12 to 0. Voted "Do Pass" by the Rules- Legislative Oversight Committee by a vote of 11 to 1.

Currently, any surplus amount received on a tax or other debt sale of real estate by the sheriff or county collector is held by the treasurer for the owners of the property until a redemption or collector's deed is issued up to three years. After three years, the surplus funds go to the school fund of the county. This bill adds the record lien holders as primary recipients on any excess proceeds from a foreclosure sale and specifies that the record lien holders will receive a distribution before the owners.

This bill is the same as HB 649 (2017).

PROPONENTS: Supporters say that this bill fixes an issue where tax sale proceeds are improperly distributed to the wrong party. Currently, the owner of a home could improperly receive the proceeds of a tax sale, instead of the proceeds going to the lien holder on the home.

Testifying for the bill were Representative Plocher; Missouri Bankers Association; Heartland Credit Union Association; Missouri Association of Realtors; and Susan Myers, Metropolitan St. Louis Sewer District.

OPPONENTS: There was no opposition voiced to the committee.