FIRST REGULAR SESSION

HOUSE BILL NO. 462

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RICHEY.

1322H.01I DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 32.065, 32.068, 52.290, 139.100, and 140.100, RSMo, and to enact in lieu thereof five new sections relating to delinquent tax penalties and interest.

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

Section A. Sections 32.065, 32.068, 52.290, 139.100, and 140.100, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 32.065, 32.068, 52.290, 139.100, and 140.100, to read as follows:

32.065. 1. The annual rate established under this section shall be such adjusted rate as is established by the director of revenue under subsection 2 of this section.

2. The director shall establish an adjusted rate of interest for the purpose of subsection 1 not later than October twenty-second of any year if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. Any such adjusted rate of interest shall be equal to **one-half** the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on January first of the immediately succeeding year.

3. For purposes of subsection 2, the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System.

4. The annual rate provided in subsection 1 of this section shall apply not later than January 1, 1984, to amounts outstanding on that date or arising thereafter; provided, however, prior to January 1, 1984, the director of revenue may, by rule, implement and apply in lieu of any of the interest rates for any specific tax or taxes provided for in the following sentence,

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.

the annual rate provided in subsection 1 for amounts outstanding on the effective date of the implementing rule. If the director of revenue does not implement the use of the annual rate provided in subsection 1 prior to January 1, 1984, for any particular tax, sections **[**~~142.180,~~**]** 142.561, 143.731, 143.761, 144.170, 146.060, 148.050, 148.060, 148.160, 148.180, **[**~~148.300, 148.530~~**]** and 149.051, RSMo 1978, and section 147.120, RSMo Supp. 1981, shall continue to be applied to amounts outstanding prior to January 1, 1984, with respect to determining interest and other amounts due for periods before January 1, 1984.

32.068. 1. The state treasurer shall calculate an annual rate of interest pursuant to this section and provide the calculated rate of interest to the director of revenue as determined by subsection 2 of this section.

2. Each calendar quarter the state treasurer shall calculate the annual rate of interest. The rate of interest shall be equal to **[**~~the previous twelve-month annualized average rate of return on all funds invested by the state treasurer~~**] one-half the adjusted prime rate charged by banks as of January first**, rounded to the nearest one-tenth of one percent. The state treasurer shall provide such calculated rate to the director of revenue not later than thirty days prior to the end of each calendar quarter. The director of revenue shall apply the calculated rate of interest to all applicable situations during the next calendar quarter after the release of the calculated rate of interest.

3. Beginning January 1, 2003, the director of revenue shall apply the calculated rate of interest as determined by this section to all applicable situations.

4. In fiscal year 2003, the commissioner of administration shall estimate the amount of any additional state revenue received pursuant to this section and shall transfer an equivalent amount of general revenue to the schools of the future fund created in section 163.005.

52.290. 1. In all counties except counties having a charter form of government before January 1, 2008, and any city not within a county, the collector shall collect on behalf of the county a fee for the collection of delinquent and back taxes of **[**~~nine~~**] five** percent on **[**~~all~~**] the principal of delinquent** sums collected to be added to the face of the tax bill and collected from the party paying the tax. Of the **[**~~nine~~**] five** percent of the fees collected pursuant to the provisions of this section, two-ninths shall be paid into the county general fund, two-ninths shall be paid into the tax maintenance fund of the county as required by section 52.312, and five-ninths shall be paid into the county employees' retirement fund created by sections 50.1000 to 50.1200. Notwithstanding provisions of law to the contrary, an authorization for collection of a fee for the collection of delinquent and back taxes in a county's charter, at a rate different than the rate allowed by law, shall control.

2. In all counties having a charter form of government, other than any county adopting a charter form of government after January 1, 2008, and any city not within a

county, the collector shall collect on behalf of the county and pay into the county general fund a fee for the collection of delinquent and back taxes of two percent on all sums collected to be added to the face of the tax bill and collected from the party paying the tax except that in a county with a charter form of government and with more than two hundred fifty thousand but less than seven hundred thousand inhabitants, the collector shall collect on behalf of the county a fee for the collection of delinquent and back taxes of three percent on all sums collected to be added to the face of the tax bill and collected from the party paying the tax. If a county is required by section 52.312 to establish a tax maintenance fund, one-third of the fees collected under this subsection shall be paid into that fund; otherwise, all fees collected under the provisions of this subsection shall be paid into the county general fund.

3. Such county collector may accept credit cards as proper form of payment of outstanding delinquent and back taxes due. No county collector may charge a surcharge for payment by credit card.

139.100. 1. (1) If any taxpayer shall fail or neglect to pay to the collector his **or her** taxes at the time required by law, then it shall be the duty of the collector, after the first day of January then next ensuing and in the absence of an agreement entered into pursuant to subdivision (2) of this subsection, to collect and account for, as other taxes, an additional tax, as penalty, the amount provided for in section 140.100 **unless such penalty and any accompanying interest is waived as provided in subsection 5 of this section**.

(2) For property tax liabilities incurred on or after January 1, 2020, and on or before December 31, 2020, the collector of any county with a charter form of government and with more than nine hundred fifty thousand inhabitants may enter into an agreement with any taxpayer for the payment of any amount of tax not paid at the time required by law, including a waiver or reduction of penalties and interest on such taxes, provided that any such agreement shall require such taxes to be paid to the collector or postmarked by no later than January 8, 2021.

(3) For any taxpayer that has paid penalties and interest on property tax liabilities not paid at the time required by law, and such penalties and interest are subsequently reduced or waived through an agreement entered into pursuant to subdivision (2) of this subsection, that portion of penalties and interest paid and subsequently reduced or waived may be credited to the taxpayer on such taxpayer's tax liability for the subsequent year. The county may reduce on a pro rata basis any distributions to taxing jurisdictions by the amount of any penalties and interest from late payments from the 2020 tax year that were collected and distributed, but were then subsequently reduced or waived pursuant to subdivision (2) of this subsection.

2. Collectors shall, on the day of their annual settlement with the county governing body, file with **the** governing body a statement, under oath, of the amount so received, and from whom received, and settle with the governing body therefor; but, interest shall not be

chargeable against persons who are absent from their homes, and engaged in the military service of this state or of the United States. The provisions of this section shall apply to the City of St. Louis, so far as the same relates to the addition of such interest, which, in such city, shall be collected and accounted for by the collector as other taxes, for which **[**~~he~~**] the collector** shall receive no compensation.

3. Whenever any collector of the revenue in the state fails or refuses to collect the penalty provided for in this section on state and county taxes, it shall be the duty of the director of revenue and county clerk to charge such collectors with the amount of interest due thereon, as shown by the returns of the county clerk, and such collector shall be liable to the penalties as provided for in section 139.270. **This subsection shall not apply to any penalty, interest, or portion of a penalty or interest waived as provided in subsection 5 of this section.**

4. For purposes of this section and other provisions of law relating to the timely payment of taxes due on any real or personal property, payments for taxes due on any real or personal property which are delivered by United States mail to the collector, the collector's office, or other officer or office designated by the county or city to receive such payments, of the appropriate county or city, shall be deemed paid as of the postmark date stamped on the envelope or other cover in which such payment is mailed. In the event any payment of taxes due is sent by registered or certified mail, the date of registration or certification shall be deemed the postmark date. No additional tax or penalty shall be imposed under this section on any taxpayer whose payment is delivered by United States mail, if the postmark date stamped on the envelope or other cover containing such payment falls within the prescribed period or on or before the prescribed date, including any extension granted, for making the payment or if the postmaster for the jurisdiction where the payment was mailed verifies in writing that the payment was deposited in the United States mail within the prescribed period or on or before the prescribed date, including any extension granted, for making the payment, and was delayed in delivery because of an error by the United States postal service and not because of an error by the taxpayer. In the absence of a postmark, or if the postmark is illegible or otherwise inconclusive, the collector may use the collector's judgment regarding the timeliness of the payment contained therein and shall document such decision.

5. Notwithstanding any other provision of law to the contrary, the collector may waive all penalties and interest or a portion of any penalty and interest on any delinquent real or personal property taxes due under section 140.100, as provided in subsection 1 of this section.

140.100. 1. Each tract of land in the back tax book, in addition to the amount of tax delinquent, shall be charged with a penalty of **[**~~eighteen percent~~**] one-half the adjusted prime rate charged by banks as of January first** of each year's delinquency except that the penalty on lands redeemed prior to sale shall not exceed two percent per month or fractional part thereof.

2. For making and recording the delinquent land lists, the collector and the clerk shall receive ten cents per tract or lot and the clerk shall receive five cents per tract or lot for comparing and authenticating such list.

3. In all counties except counties having a charter form of government before January 1, 2008, and any city not within a county, in addition to the amount collected in subsection 2 of this section, for making and recording the delinquent land lists, the collector and the clerk shall each receive five dollars per tract or lot. The ten dollars shall be paid into the county employees' retirement fund established pursuant to section 50.1010.

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