

SS HB 2062 -- REAL PROPERTY

This bill enacts several provisions relating to the use of real property, including changes to property taxation, the broadening of the Land Bank Act to cover more areas, changes to the historic, rural revitalization, and regulatory streamlining act, and new enactments on business shutdown orders, electric vehicle charging infrastructure requirements, sewer liens, home inspections, and the pasturing of chickens.

PROTECTING MISSOURI'S SMALL BUSINESSES ACT (Section 44.251)

The bill establishes the "Protecting Missouri's Small Businesses Act". Beginning January 1, 2025, any political subdivision implementing a shutdown order that results in a business closing solely due to the shutdown order for at least 14 consecutive days or 30 cumulative days must waive the fee for a business license during the period of the shutdown order or 6 months, whichever is longer, and reduce the real and personal property tax liability of the business as provided in the act. This act is not an exemption of property from taxation by the political subdivision, and any action taken by a political subdivision that results in a refund or revenues lost shall be construed as an exercise of the political subdivision's authority to levy and collect local tax revenues.

This provision is the same as HB 2874 and similar to HCS HB 1263 (2024).

ELECTRIC VEHICLE CHARGING INFRASTRUCTURE (Section 67.288)

The bill defines "electric vehicle" and "electric vehicle charging station" and prohibits political subdivisions from adopting various forms of legislation to require charging stations on parking lots owned or leased by churches or nonprofit organizations. A business owner or property owner may pay for installation, maintenance, or operation of an electric vehicle charging station.

This provision is similar to HCS HB 1511 (2024).

LAND BANKS (Sections 140.010 to 141.1020)

This bill adds provisions to Section 140.010 concerning liens of the state on property with unpaid taxes to allow a county to elect to operate as a "partial opt-in county" for any parcel for which there is an unpaid tax bill for at least two years after its delinquent date after electing to establish a land bank agency under Section 140.981. The collector of the county will decide which tax delinquent parcels shall proceed according to the provisions of Sections 141.210 to 141.810, RSMo.

These parcels are exempt from the provisions of Sections 140.030 to 140.722. The collector must remove the parcels from any list of parcels advertised for first, second, third, or post-third sales.

The bill adds the following individuals to the list of those to whom land bank sales are prohibited: members of the governing body and employees of a land bank agency; elected or appointed officials of the governing body and employee of such officials, of the political subdivision in which a land bank agency is located; and those who are related to the above within the second degree of consanguinity (Section 140.190).

A purchaser at any sale after the third offering of any land or lots, whether by the collector or a trustee as provided in section 140.260, may elect to proceed by giving notice to the collector before the issuance of a collector's deed (Section 140.250).

If no person redeems land sold for taxes under Section 140.420 before the expiration of the person's right to redeem, the current law states that the collector will execute to the person's heirs or assigns; the bill adds that specified parties that had a right, title, interest, claim, or equity of redemption on or to the lands or that had a lien upon the lands are foreclosed of such unclaimed right, title, interest, claim, or equity of redemption in or to the lands and of any lien upon the lands.

Currently, Sections 140.980 to 140.1015, RSMo, are referred to as the "Land Bank Act". This bill changes the name to the "Chapter 140 Land Bank Act" and expands the list of cities authorized to establish a land bank agency to include any city with 1,500 or more inhabitants except in certain noncharter counties and certain charter counties (Sections 140.980 and 140.981).

Many sections in the Chapter 140 Land Bank Act are amended to include a reference to counties.

For land bank agencies established under the Chapter 140 Land Bank Act, the composition of the board of directors and other requirements, restrictions, and duties of the board members are specified in the bill. Any municipality that establishes a land agency under Section 140.981 may include certain information in the municipal ordinance, as specified in the bill. (Section 140.982)

Additional powers of a Chapter 140 land bank agency are modified to the extent that: borrowing from private lenders, the state, and the federal government is no longer allowed; the land bank agency can no longer issue notes and other obligations; a reference to specific ways in which a contract will be deemed to have been

properly executed is removed; and a land bank agency can no longer lease or rent land bank property as either a lessor or lessee. (Section 140.983)

When a land bank agency acquires title to property, it must notify the county assessor and collector of all taxes, fines, and fees on the property that will thereafter be deemed satisfied by the transfer of the property to the land bank agency. A land bank agency can acquire property at a sheriff's tax sale or at a partial opt-in sale under Section 141.821, but the property cannot be partially or wholly located outside the county or municipality of the land bank agency, and it must be adjacent to property already owned by the land bank agency. Property to be added to another parcel already owned by the land bank agency can be purchased at a foreclosure sale. If property is acquired by a land bank agency under certain authorized methods, the excess of the land bank agency's bid over the amount of the tax bill will be distributed according to Section 140.230, but if the property is acquired under a delinquent land tax auction, any excess will be distributed under Section 141.580. Within one year of the effective date of an ordinance, resolution, or rule establishing a municipal land bank agency, real property held by a land trust must be transferred to the land bank agency (Section 140.984).

A land bank agency must disclose for public review whether it acquired property through judicial foreclosure, nonjudicial foreclosure, donation, or other manner. A land bank agency can establish a different hierarchical ranking of priorities for the use of its land as follows: purely public spaces and places; wildlife conservation; a green field area, and a return to private use. The requirement that the sale price for land bank agency property must equal or exceed the tax bill, interest, penalties, attorney's fees, and costs, is repealed and replaced with the simple requirement that land acquired through purchase, transfer, exchange, or gift must be sold. How the proceeds from the sale of any ancillary parcel must be distributed is repealed, as is the requirement that the sale price of a parcel must be reduced if it is one of five parcels in a single block and no offer for it has been made in the last year, with the reduction in price being advertised (Section 140.985).

The duration of time a land bank agency has to sell property or put it to productive use is increased from two to five years. The duration a land bank agency has to sell, clear, or put property to public use is eight years (Section 140.986).

Currently, a contract for the sale of residential property owned by the land bank agency requires the buyer to agree to own the property for three years or be civilly liable to the land bank for

an amount equal to twice the sale price. The bill repeals this provision and requires a buyer to demonstrate that the buyer does not have a property in the land bank's jurisdiction with taxes delinquent for more than one year, is not in violation of any municipal building or housing code, and is not the original owner of the property or a relative of the original owners within the second degree of consanguinity (Section 140.987).

Foreign and domestic corporations or limited liability companies that do not have a registered agent under State law are not allowed to buy property from a land bank, nor are foreign corporate entities that do not have a certificate of authority to transact business in the State (Section 140.987).

A land bank agency can make it a condition of sale that a property owner or the property owner's successor make certain improvements to the property. If the improvements are not made, the land bank can sue for damages for the breach and seek a judicial foreclosure in which the property would go back to the land bank. As an alternative or in addition to a judicial foreclosure the land bank agency may gift the right to foreclose on the property to a nonprofit organization or exercise the right of reentry. Title will be conveyed by recording the judgment with the recorder of deeds (Section 140.987).

A land bank agency can receive funding through gifts from any source, provided that the agency does not sell or otherwise transfer any property held by it to the entity from which it received the gift (Section 140.988).

A county that has established a land bank agency may collect a fee for the collection of delinquent and back taxes in an amount up to 5% of all sums collected, which fees must be paid to the land bank agency (Section 140.988).

A land bank agency is authorized to receive funds from bonds issued by the county or municipality creating the land bank agency. These bonds will not be deemed an indebtedness within the meaning of any Constitutional or statutory limitation upon incurring indebtedness. The bonds must be authorized by a resolution of the governing body of the county or municipality establishing the land bank agency, which may also issue refunding bonds. The bonds are negotiable instruments under Chapter 400. The bonds and all income or interest thereon are exempt from all State taxes. Temporary notes are also authorized (Section 140.994).

A land bank agency may rent or lease property held by the land bank agency for community, noncommercial agricultural uses (Section 140.995).

Members of the board are added to a provision that prohibits land bank employees from benefiting from or owning land bank property. For this provision, persons who are related to board members or employees within the second degree of consanguinity or affinity are considered board members or employees (Section 140.1000).

The bill adds that any other method as may be required by prevailing notions of due process is a permissible means of petition service in a quiet title action (Section 140.1009).

A land bank agency must be dissolved no sooner than 60 calendar days but no later than 180 calendar days after an ordinance or resolution for its dissolution is passed by the county or municipality that established the land bank agency. Once all outstanding bonds, notes, and other obligations are satisfied, no new property can be acquired by the land bank agency. No additional debts can be incurred unless necessary to sell property or put to public use. The land bank agency must be dissolved within 30 days after all outstanding bonds, notes, and other obligations are satisfied (Section 140.1012).

The definition of "county" for purposes of Sections 141.210 to 141.810 and Sections 141.980 to 141.1015 (collectively, the land tax collection law) is changed from charter counties and certain first class counties, currently only Buchanan County, to all counties, and the definition of "municipality" is changed from cities of 2,500 inhabitants in charter and first classification counties to all cities in all counties. This bill defines an "interested party" (Section 141.220).

Counties may now elect to wholly operate under Sections 141.210 to 141.810 by adopting a resolution or order, or partially by adopting a resolution or order for any parcel or parcels which have back taxes for at least two years from the date on which the taxes became delinquent. No county eligible to establish a land bank under Section 140.981 can be a partial opt-in county unless it first elects to establish a land bank agency as provided in Section 141.981 (Section 141.230).

For partial opt-in counties, the collector will decide which tax-delinquent parcels will proceed under the land tax collection laws and which will proceed under other laws (Section 141.290).

The collector has the option of appointing a delinquent land tax attorney to be compensated as necessary for performing the collector's duties. The appointed delinquent land tax attorney may appoint assistant attorneys to be compensated as necessary. The collector may pay an appointed delinquent land tax clerk what

compensation is deemed necessary, rather than a set fee (Sections 141.320 and 141.330).

A petition for foreclosure of a tax lien must name each person with a legal interest in the land affected, as discoverable by the collector from publicly available records, and must contain certain information specified in the bill (Section 141.410).

The collector must send a copy of the petition by first-class mail to the occupant of the parcel or property which has delinquent taxes (Section 141.440).

In partial opt-in counties, the collector must make the following searches, the charge for which can be recovered from the proceeds of the sale:

- (1) A title search, not later than 120 days prior to the sale;
- (2) The following records, for interested parties and addresses reasonably calculated to apprise interested parties of the suit:
  - (a) Land title records in the county recorder of deeds office;
  - (b) Tax records in the office of the local treasurer;
  - (c) Tax records in the office of the local assessor;
  - (d) Court records in Missouri CaseNet; and
  - (e) For a business entity, records filed with the Secretary of State. The charge for these items can be recovered from the proceeds of the sale

No later than 30 days prior to the sale, the collector must send notice of the sale to all interested parties at the address most reasonably apprised to provide notice of the sale. The notice must provide the date, time, and place of the sale, and must state that the property may be redeemed prior to the sale. The charge for this item can be recovered from the proceeds of the sale.

No later than 20 days prior to the sale, the sheriff must post notice of the sale of the size and in the manner set out in the bill. The sheriff also must attempt in-person notice. The charge for these items can be recovered from the proceeds of the sale (Section 141.520).

Additional changes to the land tax collection law include:

(1) Changing the laws regarding taxes and penalties for properties subject to certain actions as abandoned property in Jackson County. Currently, a provision allows a court in Jackson County to stay the tax foreclosure sale of property that is the subject of an action for temporary possession for rehabilitation if the party filing the action pays into the court all of the principal land taxes owed. The bill expands this provision to all counties;

(2) Currently, Section 141.540 sets forth the procedure a sheriff must follow when advertising for and selling real property ordered sold pursuant to a judgment of foreclosure by a court under the land tax collection law. The bill repeals almost all other provisions of the section dealing with duties of the county collector related to the sale;

(3) Currently, Section 141.550 deals with the conduct of sale, the sheriff's return of service, and the sheriff's deed in Kansas City. The bill adds Sections 141.980 to 141.1015 to the jurisdiction of the section, removes the limitation to Kansas City, gives the place and time of the sale for partial opt-in counties, and specifies what amounts the winning bid must include. Also, foreign and domestic corporations or limited liability companies that do not have a registered agent under State law are not allowed to buy property from a land bank, nor are foreign corporate entities that do not have a certificate of authority to transact business in the State. The official conducting the sale may require an affidavit from the buyer that he or she meets the requirements for purchasers;

(4) Clarifying that Section 141.560 applies to municipalities that have established a land bank agency under other pertinent sections or are in counties that have established a land bank agency, and removing the requirement that a land trust must include certain other costs when a parcel is sold by the land trust;

(5) Modifying the language regarding the title to any real estate that is vested to a purchaser (Section 141.570);

(6) Establishing a six-month time limit during which a court should confirm or set aside a foreclosure sale, clarifying who should receive notice of a hearing, and providing what the judgment should state. Section 141.580 will not apply to sales of land to land bank agencies. In partial opt-in counties, funds remaining after the sale and after the distribution as required by law, will be given to the county school fund. Counties operating under the land tax collection law can elect to establish a fund for the purpose of defending against claims challenging the sufficiency of the notice provided. An interested party other than the purchaser must pay into the court the redemption amount prior to a hearing;

(7) Repealing the part of Section 141.610 that provides that one year after a foreclosure sale it will be conclusively presumed that everything was done correctly, and no suit to set aside a deed will be commenced or maintained unless it is filed within one year from the date of sale;

(8) Providing that Section 141.680 does not apply to partial opt-in counties; and

(9) Limiting the applicability of Section 141.700, establishing a land trust, to counties electing to operate under Sections 141.210 to 141.810 prior to January 1, 2025;

In partial opt-in counties, the bill provides for the establishment and make-up of a land trust, the governing board, and the board's duties and responsibilities (Section 141.821).

The bill designates Sections 141.980 to 141.1015 as the "Chapter 141 Municipal Land Bank Act" in Section 141.980, deletes its limited applicability to municipalities located wholly or partially in counties with a land trust as of January 1, 2012, makes it applicable to counties electing to operate wholly under Sections 141.420 to 141.810, repeals the provision limiting sales made to a single entity to five contiguous parcels per year, and prohibits municipalities in partial opt-in counties from establishing land bank agencies under Section 141.980.

The bill adds that any other method as may be required by prevailing notions of due process is a permissible means of petition service in a quiet title action (Section 141.1009).

Provisions are added to permit a land bank agency to rent or lease property held by the land bank agency for community, noncommercial agricultural uses. (Section 141.1020)

This bill repeals Section 140.1006, and Sections 141.820 to 141.970 dealing with collection of delinquent taxes in the City of St. Louis.

These provisions are similar to provisions in HB 2065 (2024).

PUBLIC SEWER DISTRICT LIENS (Section 249.255)

This bill provides that a lien placed upon a property for unpaid sewer charges, once publicly and properly recorded, has higher priority than all liens except taxes levied under Section 141.821 for state or county purposes.



This provision is similar to a provision in HB 2065 (2024).

HISTORIC, RURAL REVITALIZATION, AND REGULATORY STREAMLINING ACT  
(Sections 253.533, 253.454, 253.550, 253.557 and 253.559)

This act names the historic preservation tax credit the "Missouri Historic, Rural Revitalization, and Regulatory Streamlining Act".  
(Section 253.533)

The act adds definitions of "applicable percentage", "eligible recipient", "historic theater", "historic school", "qualified rehabilitation standards" and "qualifying county". The definition of "structure in a certified historic district" is repealed, and the definition of "certified historic structure" is revised to allow location in a National Register-listed historic district as an option to qualification of a building (Section 253.545).

Currently, a tax credit is authorized for rehabilitation expenses incurred for the rehabilitation of certain properties, and requires the rehabilitation to meet the standards as determined by the State Historic Preservation officer of the Missouri Department of Natural Resources. Ten percent of the rehabilitation costs may be incurred for investigative assessments and building stabilization prior to the submission of an application.

The bill authorizes a tax credit for the rehabilitation of property that is in a qualifying county, as defined in the bill, equal to 35% of the total costs of rehabilitation incurred on or after July 1, 2024. A qualifying county is a county that is not within the city of Kansas City or the city of St. Louis.

This bill provides that state historic rehabilitation standards shall not be more restrictive than the Secretary of the Interior's Standards for Rehabilitation.

Provisions relating to projects started between July 1, 2010 and June 30, 2018, are repealed. Properties that are not located in a qualified census tract will not be approved.

Non-income-producing single-family owner-occupied residential property is revised to delete the reference to "owner-occupied" and adds a description of the taxpayer applicant and any relative within the third degree of relationship to the applicant, which is also applicable to applications for certified historic structures and structures in a certified historic district, which must be located in a distressed community.

Tax credits authorized for a single-resource certified historic structure of more than one million gross square feet with a Part I

approval prior to January 1, 2024, shall count toward the aggregate amount of tax credits that may be authorized in a fiscal year but may be spread over a six-year period under conditions described in the bill (Section 253.550).

Current law prohibits not-for-profit entities from receiving historic preservation tax credits. This bill authorizes the entities to receive these tax credits (Section 253.557).

This bill requires the Department of Economic Development to establish an application cycle that allows for the year-round submission and year-round receipt and review of the applications.

Currently, an application for tax credits must include proof that the property is an eligible property and a certified historic structure or a structure in a certified historic district. In lieu of such requirement, the bill allows proof that part 1 of a federal application or a draft national register of historic places nomination has been submitted to the State Historic Preservation Office.

This bill requires the Department, when evaluating an application, to consider the estimated number of housing units created by the project, the estimated number of construction and professional jobs associated with the project, capital improvements created by a project, and increased revenues from sales or property taxes. Historic schools and theaters are exempt from this provision.

The State Historic Preservation Office must determine whether a rehabilitation satisfies the required standards within 60 days of the filing of an initial application for tax credits and the determination must be based upon specific evidence and, if approved, must forward the application to the National Park Service within 60 days.

If the scope of a project that has been approved materially changes, the taxpayer will be eligible to receive additional tax credits in the year in which the Department is notified of and approves of the change in scope, as specified in the bill.

Currently, evidence of the capacity of the applicant to finance rehabilitation costs and expenses is required within 60 days of approval. This bill changes the requirement to 120 days.

Currently, a taxpayer is required to receive approval for tax credits to commence rehabilitation within nine months of approval. This bill changes the time period to 24 months from approval. A taxpayer must notify the Department of the loss of site control

within 10 days of the loss. The act allows a taxpayer to forfeit approval of tax credits at any time.

Currently, taxpayers are required to submit an application for final approval of tax credits. This bill provides that final approval must be shown by either approval of the State Historic Preservation Office or an approved part 3 Federal application. The bill specifies a timeline for submission, approval, forwarding, and issuance.

An applicant may appeal any official decision relating to the application submitted by the applicant, as specified in the bill. (Section 253.559)

#### HOME INSPECTION (Section 436.337)

A political subdivision cannot require the owner of residential property to have a home inspection conducted in order to sell the property. The bill does not apply to any inspection requirement for new construction or occupancy permits.

This provision is similar to a provision in HB 2380 (2024).

#### PASTURING OF CHICKENS (Section 442.404)

This bill provides that no deed restrictions, covenants, or similar binding agreements running with the land can prohibit or have the effect of prohibiting ownership or pasturing of up to six chickens on a lot that is two-tenths of an acre or larger, including prohibitions against a single chicken coop designed to accommodate up to six chickens. A homeowner's association, as defined by law, may adopt reasonable rules, subject to applicable statutes or ordinances, regarding ownership or pasturing of chickens, including a prohibition or restriction on roosters.

This provision is similar to a provisions in HB 1514 and HCS HB 2206 (2024).

#### UNLAWFUL OCCUPATION OF REAL PROPERTY (Sections 534.602, 534.604, and 569.200)

This bill establishes provisions regarding the removal, through ex parte orders, of persons unlawfully occupying a residential dwelling. The bill defines "unlawful occupants", among other terms; allows a property owner to file a petition to remove a person unlawfully occupying property; describes the petition-filing process, fees and court costs; and outlines the issuance process for an ex parte order. The hearing must be held within 48 hours of filing unless good cause for delay is shown. The bill specifies

measures that can be prescribed in the ex parte order to protect the petitioner's safety and other measures to permanently restrain or expel the respondent. A person who is removed without just cause may bring a civil cause of action. The proceedings are in addition to other available remedies, and the court retains jurisdiction of the ex parte order of protection for its entire duration.

A law enforcement officer who has probable cause to believe a person has violated an ex parte order shall arrest the offending party even the violation did not occur in the presence of the law enforcement officer, and the arresting and assisting officers are immune from civil liability for false arrest.

A violation of an ex parte order is a class A misdemeanor. Additionally, the offense of criminal mischief for unlawful detention, occupation, or trespass upon a residential dwelling is established, which is a class A misdemeanor.

#### MORATORIUM ON EVICTION PROCEEDINGS (Section 535.012)

No county, municipality, or political subdivision shall impose or otherwise enforce a moratorium on eviction proceedings unless specifically authorized by state law.

#### HYDRANT TESTING (Section 640.144)

Currently, community water systems in certain areas are required to create a hydrant inspection program that includes annual testing of every hydrant in the system. The annual testing requirement is repealed and replaced by a scheduled testing.