

September 2023 - C Mallett

the greene county

tax  
sale  
bidder  
packet

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## **Disclaimer:**

The statutes referenced in this packet are pulled from the Revised Statutes of Missouri, as provided by the Secretary of State and are presented without modification to the contents thereof.

Formatting has been modified for accessibility.

The opinions contained herein are for the use of the Greene County Collector of Revenue, his deputies, and staff only in the process of issuance of Collector's Deeds for properties sold at tax sale and shall not be considered legal advice or judgment.

The Collector and his staff are not attorneys and are not qualified to provide legal advice.

The information provided in this manual is intended to help tax sale bidders to meet the requirements upheld by the Collector's Office. To the best of my own knowledge, the information is accurate, however, it is not intended to serve as a comprehensive guide to tax sale or real estate law.

# break it down

## tax sale ☆

*noun*

- 1 the sale of real property, as land, usually at auction by a public authority, in order to pay delinquent taxes assessed upon its owner.

Let's start with the basics.

People pay real estate taxes on property they own. When they don't pay taxes, the Collector can hold an auction where they sell a **tax lien on the property**. The winning bidder gets a Purchase Certificate representing that lien, which can eventually become a Collector's Deed - if all requirements are met by the bidder.

Notice that phrasing: **sell a tax lien on the property**. Not "sell the property." This is lien, not a deed!

At the auction, you're not bidding on the deed to the property, but on the tax debt. The winning bidder pays the over-due taxes (so the county gets the tax money) and in exchange, the purchaser is given first lien position on the title (with a few exceptions).

After the sale, there are two ways things can go down.

**#1 Redemption:** The owner redeems the property. They pay off the late taxes, and the purchaser receives their money back with interest.

**#2 Deed:** The owner doesn't redeem within one year of the sale. The purchaser can foreclose on their lien and take title to the property, receiving a Collector's Deed.

**Release:** Nothing happens. The owner doesn't redeem the property and the purchaser doesn't claim the deed. The taxes are paid (by the purchaser) and the property stays in the owner's name. No costs are reimbursed.

## VERY IMPORTANT BIG MAJOR WARNING

Everything to do with the Tax Sale is subject to **Legal Stuff™**

The Collectors are not lawyers, so we cannot give legal advice. That's why the officially unofficial motto of the Tax Sale is:

**Talk to an attorney.**

# Before Bidding

## Things to know:

**You will not own the property after the sale.** You will not be able to get the Collector's Deed for at least one full year.

**You are not guaranteed any property you bid on.** The property can be redeemed by an owner or other lienholder at any point before you acquire the deed.

**You must complete the requirements** set down in statute before the Collector can issue a deed. Namely,

- Have a title search done
- Serve notice to all 'interested parties' named on that title search  
This can be more than one step!
- Pay subsequent taxes
- Provide a "Request for Deed" to the Collector's Office, including an affidavit stating that you met the statutory requirements and proof of those actions.

The Tax Sale is complicated legal procedure with risks to the investor. The Collector's Office cannot help you navigate if you get in over your head.

Unless you are confident in your ability to interpret statute and legal precedent, do not bid without consulting a qualified attorney.

# def·i·ni·tion

/ˌdefəˈniʃ(ə)n/

noun

noun: definition; plural noun: definitions

1. a statement of the exact meaning of a word, especially in a dictionary. "a dictionary definition of the verb"
- an exact statement or description of the nature, scope, or meaning of something. "our definition of what constitutes poetry"

## Tax Sale Jargon

**owner** the person named on a deed as the owner of the title to the property. In tax sale lingo, this is the delinquent taxpayer whose property is going to sell. (aka To Whom Assessed)

**purchaser** the winning bidder at the sale, who gets the purchase certificate and may eventually become the property owner. Also referred to as "bidder" or "certificate holder"

**Purchase Certificate** a document issued by the Collector's Office after the tax sale representing the tax lien. This is a lien- it does not transfer ownership!

**redemption** the property is redeemed when someone pays the total cost of sale and fees (see RSMo § 140.340) This releases the purchase certificate and ends the sale. The bidder is reimbursed for their investment.

**Collector's Deed** a deed issued by the Collector's Office to transfer ownership after the redemption period, only if all requirements have been met

**real estate** land and any permanent improvements attached, whether natural or man-made — including water, trees, minerals, buildings, homes, fences, and bridges.

**parcel** a defined piece of real estate, a quantity of land identified for tax purposes

**deed** a legal document that transfers title, ownership, or rights to property, or a contract.

**title search** a search performed by an attorney or title company that describes all publicly recorded ownership or encumbrance documents.

**lien** a claim against a property that ensures the repayment of a debt or obligation.

**interested party** an owner, beneficiary, lienholder, or anyone else who may hold a claim against the title or property

(VERY BASIC)

# How to Tax Sale

**Tax Sale:** The sale will be held on the fourth Monday in August.

**Pay Taxes:** (See RSMo § 140.405.9.4) Taxes will be due on December 31st. In order to request a deed, the taxes that accrue after the sale must be paid. It is your choice whether to pay them now without fees or to wait until requesting the deed, in which case the bill will include late fees. If you pay the taxes and submit the receipt to the Collector's Office with the Certificate Number, the cost will be reimbursed if the property is redeemed.

**Title Search:** (See RSMo § 140.405.1 and 140.340.2) After March 1st, have a title search performed by a licensed title company or attorney. This is sometimes referred to as an Owner and Encumbrance Report and should provide all publicly recorded owners, lienholders, judgements, or other interested parties.

**Notification:** Each interested party (as reported by the Title Search) must be notified of their right to redeem at least 90 days before the deed request. This notice must be sent via first class (regular) mail and certified mail (signature required at delivery).

For each notice sent, keep a copy of the notification letter, both envelopes (as they appeared directly before mailing, with postage and postmark), certified return receipt, signed delivery notice, and any returned mail.

If both the first-class and certified letter sent to an interested party are returned or undeliverable by the USPS for any reason (other than rejection), you must attempt additional notice (see §140.405.4)

This notice should be a good faith attempt to notify the named party, their heirs, partners, or associates. Posting a physical notice to the property is acceptable. Be sure to state the date and action taken in the affidavit or provide evidence with your deed request.

## TURN IN RECEIPTS

If a property is redeemed, the bidder can be reimbursed for certain costs but **only if the Collector's Office has receipts on file prior to the redemption.**

Send receipts for title search, postage, and taxes paid to **taxsale@greencountymo.gov** (Include Certificate # and Tax ID)

**March 1st:** The cost of a title search and postage can be included in reimbursement, but only if costs are incurred after March 1<sup>st</sup>.

# Redemption

The owner, their heirs, occupants, or anyone else holding a legal interest in the property has the absolute right to redeem the property for one year after the sale. To do this, they must pay the delinquent taxes, interest, sale fees, and costs incurred to the Collector.

If this happens, the Purchase Certificate is “released” and is no longer effective. A Redemption Certificate will be recorded as soon as possible.

The Collector will reimburse you for the following:

- Amount Bid
- 10% interest on initial taxes (starting bid)

The additional costs listed below *can* be reimbursed, but only if you have provided receipts to the Collector’s Office prior to the redemption:

- Subsequent taxes paid
- 8% interest on subsequent taxes paid
- Postage Costs
- Title Search Costs

In order to submit receipts, submit a copy of the receipt along with the certificate number to one of the following:

## By Mail or In Person

Collector of Revenue  
*Tax Sale Department*  
940 N Boonville Ave, Rm 107  
Springfield, MO 65802

## Email

[taxsale@greencountymo.gov](mailto:taxsale@greencountymo.gov)  
Include Certificate number in  
subject line

You must return the original Purchase Certificate to the Collector's office to receive reimbursement funds!

Checks can take anywhere from four to eight weeks to process, as they require special attention from multiple office-holders. Please be patient!

# Deed Request

Once everything is completed, you must submit a “Request for Deed” to the Collector’s Office.

A sample Deed Request is available on the Collector’s website, under Tax Sale, Bidder Resources. Please use this example to organize your request.

## Your Deed Request should include:

- Affidavit (see sample online or RSMo § 140.405.5)
- Copy of full Title Search
- Proof of Notification sent to all interested parties, including proof of postage date (e.g. postmark or tracking info)
  - For each party, provide a copy of the following:
    - letter notifying party of right to redeem
    - first-class envelope (with postage/postmark)
    - certified envelope (and receipt)
    - Returned delivery notice
- Copies or notice of any returned mail
  - Evidence of second notification attempt (if required)

The deed request can only be approved if the following are true:

- It has been at least 90 days since the latest postmark date
- All taxes paid
- Original Purchase Certificate returned to Collector

When complete, the Collector’s Office will prepare and record a Collector’s Deed granting title to bidder. Once recorded and indexed, the deed will be mailed to you.

# Revised Statutes of MO

Two of the most referenced statutes have been transcribed below with key parts highlighted. Statutes can be found online at [revisor.mo.gov](http://revisor.mo.gov). This is not a complete nor comprehensive list of relevant law. Please consult with an attorney on any specific concerns.

## Redemption & Reimbursement

### §140.340. Redemption, when — manner. —

1. Upon paying the reasonable and customary costs of sale to the county collector for the use of the purchaser, his or her heirs, successors, or assigns; the owner; lienholder; or occupant of any land or lot sold for taxes, or any other persons having an interest therein, shall have the **absolute right to redeem the same at any time during the one year next ensuing** and shall continue to have a defeasible right to redeem the same until such time as the tax sale purchaser acquires the deed, at which time the right to redeem shall expire, provided upon the expiration of the lien evidenced by a certificate of purchase under section [140.410](#) no redemption shall be required.

Deed can be issued after one year but before 18 months (see §140.410)

2. The reasonable and customary costs of sale include all costs incurred in selling and foreclosing tax liens under this chapter, and such reasonable and customary costs shall include the following: the full sum of the purchase money named in the certificate of purchase and all the costs of the sale, including the cost to record the certificate of purchase as required in section [140.290](#), the fee necessary for the collector to record the release of such certificate of purchase, and the **reasonable and customary cost of the title search and postage costs of notification required** in sections [140.150 to 140.405](#), together with interest at the rate specified in such certificate, not to exceed ten percent annually, except on a sum paid by a purchaser in excess of the delinquent

The only fees that can be reimbursed are for title search and postage.

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taxes due plus costs of the sale incurred by the collector, no interest shall be owing on the excess amount, with all subsequent taxes which have been paid thereon by the purchaser, his or her heirs or assigns with interest at the rate of eight percent per annum on such taxes subsequently paid, and in addition thereto the person redeeming any land shall pay the costs incident to entry of recital of such redemption; provided, however, that no costs incurred by tax sale purchasers in providing notice of tax sale redemption rights required by law shall be reimbursable as a reasonable and customary cost of sale **unless such costs are incurred after March first** following the date of purchase of the tax sale certificate by said tax sale purchaser at a first or second offering delinquent tax sale.

Title search/postage must be done after March 1st to be reimbursed

3. Upon deposit with the county collector of the amount necessary to redeem as herein provided, it shall be the duty of the county collector to mail to the purchaser, his or her heirs or assigns, at the last post office address if known, and if not known, then to the address of the purchaser as shown in the record of the certificate of purchase, notice of such deposit for redemption.

4. Such notice, given as herein provided, shall stop payment to the purchaser, his or her heirs or assigns of any further interest or penalty.

5. The **reasonable and customary costs of sale needed to redeem** any land or lot sold for taxes under this section shall **be determined by the collector.**

The Collector has the final say on what costs may or may not be reimbursed. If costs are unreasonably high or unnecessary, they will be rejected.

**140.405. Purchaser of property at delinquent land tax auction, deed issued to, when — notice of right of redemption — redemption of property first, when — loss of interest, when — notice, authorized manner. —**

1. Any person purchasing property at a delinquent land tax auction shall not acquire the deed to the real estate, as provided for in section 140.250 or 140.420, until the person meets the requirements of this section, except that such requirements shall not apply to post-third-year sales, which shall be conducted under subsection 4 of section 140.250. The purchaser shall obtain a title search report from a licensed attorney or licensed title company detailing the ownership and encumbrances on the property.

2. At least ninety days prior to the date when a purchaser is authorized to acquire the deed, the purchaser shall notify the owner of record and any person who holds a publicly recorded unreleased deed of trust, mortgage, lease, lien, judgment, or any other publicly recorded claim upon that real estate of such person's right to redeem the property. Notice shall be sent by both first class mail and certified mail return receipt requested to such person's last known available address. (If the certified mail return receipt is returned signed, the first class mail notice is not returned, the first class mail notice is refused where noted by the United States Postal Service, or any combination thereof, notice shall be presumed received) by the recipient. At the conclusion of the applicable redemption period, the purchaser shall make an affidavit in accordance with subsection 5 of this section.

3. If the owner of record or the holder of any other publicly recorded claim on the property intends to transfer ownership or execute any additional liens or encumbrances on the property, such owner shall first redeem such property under section 140.340. The failure to comply with redeeming the property first before executing any of such actions or agreements on the property shall require the owner of record or any other publicly recorded claim on the property to reimburse the purchaser for the total bid as recorded on the certificate of purchase and all the costs of the sale required in sections 140.150 to 140.405.

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**Collector's Deed**

The bidder must have a title search performed

All interested parties must be notified of their right to redeem at least 90 days before the deed is issued.

Notifications must be sent by both first class and certified mail with delivery notice.

Notice is considered 'received' if either mailing does not get returned to the sender.

Meaning that if both notices are undeliverable, notice is not received and another attempt must be made. (See Section 5, next page)

The application for deed must include an affidavit. See Section 5 (next page) and form on website.

4. In the case that both the certified notice return receipt card is returned unsigned and the first class mail is returned for any reason except refusal, where the notice is returned undeliverable, then the purchaser shall attempt additional notice and certify in the purchaser's affidavit to the collector that such additional notice was attempted and by what means.

5. The purchaser shall notify the county collector by affidavit of the date that every required notice was sent to the owner of record and, if applicable, any other publicly recorded claim on the property. To the affidavit, the purchaser shall attach a copy of a valid title search report as described in subsection 1 of this section as well as completed copies of the following for each recipient:

- (1) Notices of right to redeem sent by first class mail;
- (2) Notices of right to redeem sent by certified mail;
- (3) Addressed envelopes for all notices, as they appeared immediately before mailing;
- (4) Certified mail receipt as it appeared upon its return; and
- (5) Any returned regular mailed envelopes.

As provided in this section, at such time the purchaser notifies the collector by affidavit that all the ninety days' notice requirements of this section have been met, the purchaser is authorized to acquire the deed, provided that a collector's deed shall not be acquired before the expiration date of the redemption period as provided in section 140.340.

6. If any real estate is purchased at a third-offering tax auction and has a publicly recorded unreleased deed of trust, mortgage, lease, lien, judgment, or any other publicly recorded claim upon the real estate under this section, the purchaser of said property shall within forty-five days after the purchase at the sale notify such person of the person's right to redeem the property within ninety days from the postmark date on the notice. Notice shall be sent by both first class mail and certified mail return receipt requested to such person's last known available address. The purchaser shall notify the county collector by affidavit of the date the required notice was sent to the owner of record and, if applicable, the holder of any other publicly recorded claim on the property, that such person shall have ninety days to redeem said property or be forever barred from redeeming said property.

Any additional notices must be made in good faith as a genuine attempt to notify the interested party.

For example, resending a failed notice to the same address that it previously returned from would not qualify as a "good faith" second attempt, but a notification letter physically posted to the property would be sufficient.

An application for Collector's Deed must include all the things listed here. Sample application available on Collector website.

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7. If the county collector chooses to have the title search done then the county collector may charge the purchaser the cost of the title search before giving the purchaser a deed pursuant to section 140.420.

8. **Failure of the purchaser to comply with this section shall result in such purchaser's loss of all interest in the real estate** except as otherwise provided in sections 140.550 and 140.570.

9. The phrase "authorized to acquire the deed" as used in this chapter shall mean the date chosen by the tax sale purchaser that is more than the minimum redemption period set forth in section 140.340 if the tax sale purchaser has complied with the following requirements entitling the purchaser to the issuance of a collector's deed:

- (1) Compliance with the requirements of this section to the satisfaction of the collector;
- (3) Production of the **original of the certificate of purchase** as required under section 140.420, or production of an original affidavit of lost or destroyed certificate approved by the collector as to form and substance; and
- (4) **Payment of all subsequent taxes** required to be paid under section 140.440.

Include with a deed request:

- o original purchase certificate
- o Proof of all taxes paid

10. Notwithstanding any provision of law to the contrary, any person except a minor or an incapacitated or disabled person may receive notice under this section in a foreign country or outside the United States:

- (1) By any internationally agreed-upon means of service that is reasonably calculated to give notice, such as the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents;
- (2) If there is no internationally agreed-upon means of service, or if an international agreement allows service but does not specify the means, by a method that is reasonably calculated to give notice;
- (3) As set forth for the foreign country's acceptable method of service in actions in courts of general jurisdiction;
- (4) As the foreign country directs in response to a letter of request;
- (5) Unless prohibited by a foreign country's law, by delivering a copy of the notice to the person personally or using a form of mail that requires a signed receipt; or
- (6) By any other means not prohibited by international agreement as approved by the collector.