

TRUSTEE OFFICE

Policies & Procedures

June 2007

Authority

The operation of the Trustee Office is governed by and operated within all applicable Revised Statutes of Missouri (hereafter "R.S.Mo."), including section 140.260 R.S.Mo.

Purpose

The Trustee is responsible for recovering, to the maximum extent possible, the back taxes owed to the taxing authorities, including school districts, fire districts, Community College and Special School Districts, Sewer Districts, Zoo and Library Districts. The Trustee serves for the benefit of all funds entitled to participate in the taxes against all such lands or lots sold for delinquent taxes.

Function

The Director of Revenue is appointed the Trustee for St. Louis County by Order of the St. Louis County Council. The Trustee obtains title to real property by a Collector's Deed of property that was not purchased at the Collector of Revenue's delinquent tax auction. The Trustee will transfer title in said property by a Trustee's Deed to any person who has made and paid the required bid to purchase the property.

Mission

The Trustee Office will provide service in an impartial, reasonable and efficient manner in order to fulfill its statutory duties, and will strive to have a positive impact on Saint Louis County's quality of life.

The mission of the Trustee Office is to conduct the sale of properties acquired by the trustee in a fair and equitable manner so that taxes due on these properties are recovered and distributed to the appropriate taxing authority, and properties themselves are returned to the tax rolls where they can once again be productive.

Zero Bid Transfers

Municipalities

The Trustee considers any legislatively approved request from a Municipality to transfer title of a Trustee parcel to a Municipality if the transfer improves the quality of life for the community. The Municipality is required to pay the recording fees.

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Saint Louis County Departments

The Trustee considers any request from the Director of a Saint Louis County Department to transfer title of a Trustee parcel to the Department if the transfer improves the quality of life for the community. The Trustee may waive the recording fees.

Transfer of Parcels from Collector's Delinquent Back Tax Auction

Real property that is delinquent in the payment of taxes is offered for sale at the Collector's delinquent tax sale auction that is held on the fourth Monday in August of every year.

When a parcel has not been sold after three consecutive Collector's delinquent tax auctions and is at least five years delinquent in real property taxes, the parcel is processed for transfer of ownership to the Trustee.

The Trustee Office orders an Ownership Search from a Title Co. The Ownership Search provides confirmation of ownership at the time of the Collector's delinquent back tax auction. Also, the Ownership Search lists additional information about the parcel, such as liens, judgments and any other claim against the parcel.

A certified letter is sent to the owner(s) of record and any party that has a recorded lien on the parcel. The letter states that the parcel is being processed in order to transfer the ownership to the Trustee and that the owner(s) or any party that has a recorded lien on the parcel has a 90-day redemption period to pay the delinquent taxes.

The Trustee signs an affidavit that states: ". . . a certified letter was sent to all persons with a recorded interest in the real property, notifying them of their right to redeem the real property in question within ninety (90) days from the date of filing this affidavit with the Collector of Revenue's Office of Saint Louis County, Missouri."

A Collector's Deed and Certificate of Value are recorded in the Recorder of Deeds Office.

On the Department of Revenue's Website, the Abstract Section / Assessment Division changes the ownership of the parcel to Saint

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Louis County and the taxing code to: B – St. Louis County Trustee (tax exempted).

Bid Process

Requirements to Bid on Trustee Parcels

The Trustee markets to the public the parcels in the Trustee inventory that are available for bid. The original completed bid form may be submitted to the Trustee Office anytime during the year. Copies or facsimile copies are not accepted. A resident or a non-resident of Missouri may bid on a Trustee parcel. If the non-resident should become the purchaser, the non-resident shall meet the requirements of Section 140.190.2 & 3 RSMo before a Trustee's Deed will be recorded. Bidders must include copies of their real property and personal property tax receipts because all bidders must be current on their own property taxes.

Minimum Bid Requirements

The minimum bid that the Trustee will consider is either the base tax due (which includes back taxes & sewer lateral fees, without interest & penalties) plus twenty percent of any demolition & nuisance fees; or twenty percent of the Assessor's opinion of value for the parcel, whichever is the higher figure. The Assessor's opinion of value is determined during the bid process. Extraordinary circumstances will be considered on a case-by-case basis and may result in consideration of a bid that doesn't meet the minimum bid requirements.

Steps in the Bid Process

Typically, between ten to twelve weeks are required to complete all of the following steps in the bid process:

Bid Received by the Trustee

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The bid form is reviewed to assure that all of the information is included on the bid form by the bidder. The bid amount must be least equal to the current amount of delinquent taxes owed on the parcel. The minimum bid for parcels with less than \$100 owed in delinquent taxes is \$100. The bidder, whether a resident or a non-resident of Missouri must provide receipts of paid (real or personal or both) property tax statements.

Assessor's Review

An appraiser from the Assessor's staff performs an on-site physical inspection of the parcel. The report provided by the Assessor includes lot dimensions, description of the surrounding area, the Assessor's opinion of value, and photos of the parcel.

Economic Council Review

The Economic Council reviews the bid to determine if the parcel is involved in a redevelopment project. If the parcel is involved in a redevelopment project, the Economic Council recommends that the parcel be placed in a "Hold" status and not be made available for bid.

Planning Department Review

The Planning Department may review the bid based on a recommendation by the Economic Council to determine if the parcel is involved in a redevelopment project. If the parcel is involved in a redevelopment project, the Planning Department recommends that the parcel be placed in a "Hold" status and not be made available for bid.

Adjoining Parcel(s) Notification

Property owners of parcels that are adjoining the Trustee parcel are notified with a letter advising them of the bid received on the Trustee parcel. The adjoining parcel owner may submit a bid on the parcel within ten days of the date of the letter.

Multiple Bids

In the event that more than one bid is received for the same parcel, all bidders are provided with the opportunity to submit a sealed bid by a deadline established by the Trustee. The sealed bids are opened by the Trustee and the highest bid continues in the process and the rest of the sealed bids are rejected. If multiple bids are received by

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the Trustee that satisfy the minimum bid requirements, the Trustee may recommend, on a case-by-case basis, approval of a bid from an adjoining parcel owner in preference to a bid from a non-adjoining parcel owner without a sealed bid process.

Council Member Review

The Trustee mails a letter to the Council Member from whichever district the parcel is located. The letter recommends approval of the transfer of the parcel to the bidder. Also, included with the letter are copies of the bid form and the report from the Assessor.

Request for Payment

The Trustee mails a letter to the bidder requesting payment. The letter requests a payment to the Collector of Revenue for the bid amount and a payment to the Recorder of Deeds for the recording fee. The bidder is required to deliver the payments within 30 days of the date of the letter. Payment must be in the form of a cashier's check or money order. Personal checks are not accepted as payment.

County Executive Review

The Trustee sends a letter to the County Executive stating that payment for the bid amount and for the recording fee has been received from the bidder. The letter also states the Council Member of the district in which the parcel is located has approved the sale of the parcel to the bidder. In addition, the letter states that the Trustee recommends that the County Executive recommend to the County Council approval of the sale of the parcel to the bidder.

County Council Review

The recommendation from the County Executive is included on the agenda for the County Council meeting. Typically, the County Executive's recommendation is introduced, perfected and finally passed during three successive County Council meetings.

Trustee Deed and Certificate of Value Recorded

The Trustee Deed and Certificate of Value are recorded with the Recorder of Deeds.

Money and Strike-off Memo to Collector

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The money collected by the Trustee from the bidder is delivered to the Collector to be applied to the appropriate accounts for the subject parcel.

Trustee Deed Mailed to New Owner

After the appropriate time required for the Recorder of Deeds to record the deed, the Trustee Office is provided with the Deed. The original Deed is either picked up or mailed to the new parcel owner.