



Cities and towns across Missouri are struggling with the issue of vacant and rundown properties.

Neighbors don't feel safe when there are problem properties in our communities. Surrounding property values decline and neighborhoods become less desirable to potential buyers.

Not everyone knows that part of this problem is caused by a county's property tax collection system. Unless we make some critical changes, it will only get worse.



How it works in the current system:



Potential buyers decide they're interested in fixing up a vacant house in their neighborhood. First, they look at their county's tax sale list where properties that didn't sell at auction are still available.



A house on their block catches their eye—but as they look more closely, they discover the property has been on the list for years and has accrued back taxes that they would have to pay before any work could begin. Many times, this debt is greater than the distressed property is worth.



As if this were not challenging enough, the prospective buyers learn that there's a possibility that a house on the county's tax sale list has title defects. They would have to hire a lawyer to fix these title defects, which could take a lot of time and money.

The buyers come to the conclusion that the numbers don't work out and abandon their plan to restore the home. The vicious cycle continues as the property continues to sit vacant, and taxes keep piling up.

A potential solution to this growing problem:



Missouri needs a system that can help get vacant properties back to productive use. Creating a judicial tax sale system along with land banking is the simple way to create the change we need now.

In a judicial tax sale system, a court would supervise the sale, protecting owners by ensuring they get an opportunity to pay their taxes and avoid auction and protecting tax sale buyers by ensuring they get title free and clear of liens and title defects.

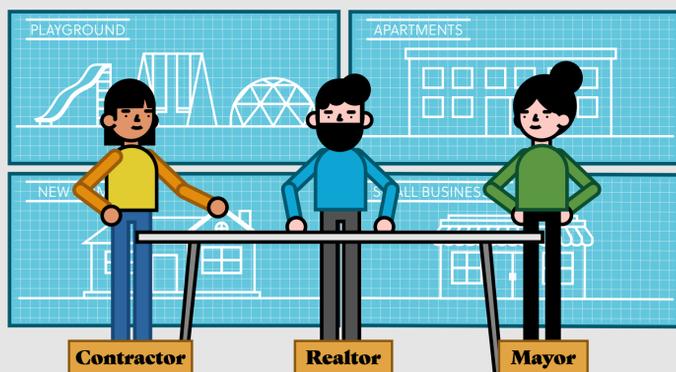
Land banks solve the problems surrounding houses that don't sell at auction and have high tax debt. They hold the titles to properties that don't sell at tax auction, and when those properties enter the land bank, all the back taxes are forgiven, clearing the slate so that the land bank can find a new owner.



What makes land banking so great?

The land bank functions as a **one stop shop** for vacant properties—maintaining and marketing the vacant properties it owns. Municipalities and community members can work with the land bank to find ways to get abandoned property back to productive use.

Whether a neighborhood needs a new park, more small businesses, or better housing options for first-time homebuyers, a land bank has the ability to **take those ideas and look for partners to help bring them to life.**



How it could work in a new system:

Prospective buyers would just go to the land bank, find a property that's right for them and make the purchase. This way, they'd be assured that the **title is clean** of defects, there are **no back taxes**, and they can begin restoring the property immediately.



An added benefit is that the County can start collecting taxes on it again because there are new owners. This means **more money for schools, public safety, and all the other important work** local governments do.

The bottom line:

Local land banks, coupled with a judicial tax sale system would **help communities across Missouri** fight vacancy and blight, and **bring wealth back to their neighborhoods.**

Legislation like this would give any Missouri county the opportunity to use a judicial tax sale system and allow cities to create their own local land banks.

This new system would be a win for owners, prospective buyers, and the community at large. Judicial tax sales **protect private property rights**, giving owners peace of mind knowing they'll get a warning if they're behind on taxes. They'll have the opportunity to pay and keep their property out of any auctions. Prospective buyers can buy properties knowing their new properties are free of tax debt and title defects.

Combining a judicial tax sale system with land banking will help **get vacant problem properties back to productive use** with the help of the whole community.

