

SENATE BILL NO. 1684

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MCCREERY.

7097S.02I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 442, RSMo, by adding thereto one new section relating to sale leaseback transactions, with penalty provisions.

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

Section A. Chapter 442, RSMo, is amended by adding thereto
2 one new section, to be known as section 442.920, to read as
3 follows:

442.920. 1. This section shall be known and may be
2 cited as the "Missouri Residential Sale Leaseback Protection
3 Act".

4 2. For purposes of this section, the following terms
5 mean:

6 (1) "Buyer", any person or entity that acquires an
7 ownership interest in residential real estate in a sale
8 leaseback transaction;

9 (2) "Residential real estate", real property that is
10 improved by a building or other structure that has one to
11 four dwelling units;

12 (3) "Sale leaseback", a transaction or series of
13 transactions in which a seller sells residential real estate
14 that is or was the seller's residence to another party and,
15 as a condition of the sale, or as part of the same or a
16 related transaction, enters into a lease or rental agreement
17 to remain in or re-occupy the property;

18 (4) "Seller", any natural person who transfers an
19 ownership interest in residential real estate in a sale
20 leaseback transaction.

21 3. (1) In any sale leaseback transaction, the buyer
22 shall provide the seller with the following disclosure on a
23 single page in a clear and conspicuous manner, printed in
24 boldface type:

25 If you sign a sale leaseback agreement, you
26 are entering into a contract to sell your
27 home. This means you will no longer own your
28 home.

29 You may be subject to eviction if you do not
30 follow the lease terms.

31 You may lose the right to buy back your home.

32 This may affect your credit, taxes, and legal
33 rights.

34 You are encouraged to speak with:

- 35 (1) An attorney;
- 36 (2) A real estate agent;
- 37 (3) A housing counselor;
- 38 (4) A tax advisor; and
- 39 (5) A real estate appraiser.

40 You have the right to cancel any sale
41 leaseback agreement, without penalty, up to
42 the date of closing. Your cancellation must
43 be made in writing, NOT by phone call.

44 No sale leaseback can be closed for at least
45 thirty (30) days after signing an agreement.

46 If you cancel an agreement, all payments of
47 any kind made by either party shall be
48 refunded.

49 Do not sign unless you fully understand the
50 terms.

51 (2) The disclosure required by subdivision (1) of this
52 subsection shall be provided to the seller not more than ten
53 days and not less than three business days before the
54 execution of any sale leaseback agreement, and the
55 disclosures shall be signed by both the seller and the buyer
56 concurrently with the execution of the sale leaseback
57 agreement.

58 (3) A copy of the signed disclosure required by
59 subdivision (1) of this subsection shall be provided to the
60 seller within five days of the execution of the sale
61 leaseback agreement.

62 4. There shall be no delivery, recording, or other
63 transfer of title from seller to buyer until thirty days
64 after the execution of any sale leaseback agreement.

65 5. (1) A seller who is party to a sale leaseback
66 agreement shall have the right to cancel any such agreement
67 prior to the transfer of title, but in no event earlier than
68 thirty days after execution of the sale leaseback agreement,
69 without penalty.

70 (2) Notice of cancellation shall be given in writing
71 by seller to buyer.

72 (3) Within ten business days after the receipt of a
73 notice of cancellation, all payments of any kind made by
74 either party shall be refunded and an acknowledgment that
75 the sale leaseback agreement is void shall be sent by buyer
76 to seller.

77 (4) A seller who exercises the right of cancellation
78 shall not be liable for any damages as a result of the
79 exercise of that right.

80 6. (1) Any violation of the provisions of this
81 section shall be subject to a civil penalty not to exceed
82 ten thousand dollars per violation.

83 (2) The attorney general may bring an action to
84 enforce this section, including actions for injunctive
85 relief, civil penalties, and restitution.

86 (3) Any seller harmed by a violation of this section
87 may bring a civil action to recover:

88 (a) Actual damages;

89 (b) Statutory damages of ten thousand dollars, which
90 shall be in addition to any actual damages proven;

91 (c) Attorneys' fees and costs; and

92 (d) Equitable or injunctive relief.

93 7. No provision of this section shall be modified or
94 waived by any agreement. Any portion of an agreement that
95 is executed, modified, or extended after the effective date
96 of this section that modifies or waives a duty or remedy
97 under this section is void ab initio and unenforceable.

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