

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3371S.01I
Bill No.: SB 920
Subject: Business and Commerce; Real and Personal Property
Type: Original
Date: March 23, 2026

Bill Summary: This proposal creates new provisions relating to the acquisition of real property by certain business entities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(Less than \$207,997)	(Less than \$238,989)	(Less than \$243,343)
Total Estimated Net Effect on General Revenue	(Less than \$207,997)	(Less than \$238,989)	(Less than \$243,343)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§442.700 – Acquisition of Real Property by Certain Business Entities

Oversight notes in §442.700.6 that civil penalties shall be assessed for violation of any injunction issued regarding the enforcement of this section of not more than \$250,000 plus costs incurred by the AGO and may be payable to the Legal Expense Fund (LEF). Oversight notes the legislation does not specifically address what fund would receive the penalty revenue if a violation should occur. Oversight inquired the AGO regarding the fund. The AGO states the general revenue fund would be used. Therefore, until further clarification is received from the OA, Oversight will assume a \$0 or unknown revenue gain to general revenue that could exceed \$250,000 annually.

Officials from the **Attorney General's Office (AGO)** assume this proposal will increase personnel costs. One Assistant Attorney General (AAG) and one Paralegal will be necessary to handle the increased caseload.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the AGO. Oversight inquired the AGO regarding the fund that is used for penalty revenue. AGO assumes that general revenue is used for penalty revenue.

Officials from the **Office of Administration, Office of the State Courts Administrator, Department of Commerce and Insurance, Department of Economic Development, Office of the Secretary of State** and the **City of Kansas City** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Revenue Gain – AGO (\$442,700.6)</u> Civil penalties collected by the State from injunctions on ownership interest of residential properties by certain business/investment entities p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost – AGO (\$442,700) p.3</u>			
Personnel Service	(\$108,333)	(\$132,600)	(\$135,252)
Fringe Benefits	(\$69,740)	(\$84,730)	(\$85,793)
Expense & Equipment	(\$29,924)	(\$21,659)	(\$22,298)
Total Costs – AGO	(\$207,997)	(\$238,989)	(\$243,343)
FTE Change – AGO	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than \$207,997)	(Less than \$238,989)	(Less than \$243,343)
Estimated Net FTE Change on General Revenue	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act prohibits business entities and investment entities, as those terms are defined in the act, that have an ownership interest in more than 50 single-family residential properties or more than 100 residential units in this state may not purchase, acquire, or otherwise obtain an interest in any additional residential properties in this state. Certain exceptions are included in the act. Additionally, sellers of residential property are exempt from liability for any violation of this prohibition.

The Attorney General (AG) is given authority to bring a cause of action in any circuit court with proper jurisdiction if the AG has reason to believe that a business entity or investment entity or any affiliate or subsidiary thereof has acquired, directly or indirectly, any residential real estate in this state on or after August 28, 2026. If the court finds that residential real estate has been acquired in violation of this act, the court shall order the sale of the residential real estate not later than 90 days after the order.

The Missouri Housing Development Commission or non-profit corporation established by the Commission may advise or report to the AG regarding any circumstances where the availability and supply of low and moderate residential housing has been adversely affected by the activities of a business entity or investment entity described in this act.

Every person who violates the terms of any injunction issued regarding enforcement of this act shall forfeit and pay a civil penalty to the state of Missouri of not more than \$250,000 plus costs incurred by the AG enforcing this act or injunction issued under this act. Costs may be payable to the state legal defense fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Office of Administration
Office of the State Courts Administrator
Department of Commerce and Insurance
Department of Economic Development
Office of the Secretary of State
City of Kansas City



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March 23, 2026



Jessica Harris
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March 23, 2026