

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4981H.05C
Bill No.: HCS for SS for SCS for SB 973
Subject: Consumer Protection; Merchandising Practices; Real and Personal Property
Type: Original
Date: April 21, 2026

Bill Summary: This proposal creates provisions relating to certain disclosures by a real estate wholesaler.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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
Total Estimated Net Effect on FTE	0	0	0

- 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

§§160.421 & 162.092 – Property Used by Schools

In response to similar legislation, Perfected HCS for HB Nos. 2404 & 2172 (2026), officials from the **Department of Public Safety (Division of Alcohol and Tobacco Control, Capitol Police), Office of the Lieutenant Governor, Missouri Ethics Commission, St. Louis City Board of Elections, University of Missouri System, Missouri Higher Education Loan Authority, City of Springfield, City of O’Fallon, East Buchanan Co. C-1 School District** and the **Clay County Auditor** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to similar legislation, Perfected HCS for HB Nos. 2404 & 2172 (2026), officials from the **City of Osceola** assumed the proposal will have a fiscal impact on their organization but did not provide any additional information.

§407.3600 – Disclosure by a Real Estate Wholesaler

Oversight notes any violation of this section shall be considered an unlawful practice under the Missouri merchandising practices act under this chapter. Oversight assumes this will have a minimal fiscal impact and will not present an impact for fiscal note purposes.

§442.920 – Missouri Residential Sale Leaseback Protection Act

Oversight assumes this amendment creates the “Missouri Residential Sale Leaseback Protection” act which regulates sale leasebacks. In any sale leaseback transaction, a buyer is required to provide the seller with certain disclosures, described in detail in the act, alerting the seller of the nature of the transaction and advising them of certain actions they may wish to take. Oversight notes any violation of this section may have a civil action brought to seek damages. Oversight assumes this will have a minimal fiscal impact and will not present an impact for fiscal note purposes.

Responses regarding the proposed legislation as a whole

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of Administration - Administrative Hearing Commission, Office of Administration - Budget and Planning, Department of Commerce and Insurance, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety (Division of Alcohol and Tobacco Control, Fire Safety, Office of the Director, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, State Emergency Management Agency), Missouri National Guard, Department of Social Services, Office of the Governor, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Department of Transportation, MoDOT & Patrol Employees' Retirement System, Office of Administration, Office of the State Public Defender, Office of the State Courts Administrator, Petroleum Storage Tank Insurance Fund, Office of the State Treasurer, Platte County Board of Elections, St. Louis County Board of Elections, City of Kansas City, Christian County Auditor, St. Louis City Assessor's Office, Northwest Missouri State University, University of Central Missouri, Office of the State Auditor, Missouri House of Representatives, Joint Committee on Public Employee Retirement, Legislative Research, Oversight Division, Missouri Senate, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Missouri State Employee's Retirement System and the State Tax Commission** 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, local election authorities, counties, county recorders, county assessors, county auditors, county collectors, county prosecutors, county treasurers, county public administrators, school districts and colleges and universities 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

<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

Small businesses who operate as a wholesaler under the provisions of this proposal may be impacted. (§407.3600)

FISCAL DESCRIPTION

THE USE OF PROPERTY FOR EDUCATIONAL PURPOSES BY CHARTER PUBLIC SCHOOLS (Section 160.421)

The bill provides that a political subdivision shall not adopt or enforce an ordinance, policy, or any deed or property-use restriction that prohibits property sold, leased, or transferred by the political subdivision from being used by a charter public school for any lawful educational purpose. Any deed restriction or property-use restriction that allows only for one or more specified uses or purposes that do not include any educational use or purpose by a charter public school is prohibited. Any deed or property-use restriction in effect on the effective date of the bill that prohibits or does not permit property previously used for any educational purpose from

being used for any future educational purpose by a charter public school is void. Any ordinance, policy, deed, use restriction, or contract made in violation of this provision is void.

RIGHT OR FIRST REFUSAL (Section 162.092)

If a school district offers to purchase or lease an unused facility to a party, other than a public entity, the contract must include a provision that makes the purchase or lease subject to the right of first refusal by a public entity.

If the offer to purchase or lease is accepted, the school district selling or leasing the unused facility must provide a public notice on its website, as described in the bill.

If two or more public entities notify the offering school district indicating an interest in the unused facility to lease or purchase, the offering school district shall make the final selection of the purchaser or lessee.

In right of first refusal negotiations and lease requirements are described in the bill.

The public entity has six months after the date of making a written offer to complete the purchase or lease of the unused facility for a price negotiated with the school district.

During the term of lease, the public entity shall be responsible for direct expenses related to the facility or any part of the facility leased.

If a public entity plans to sell an unused facility that it has purchased, it shall first offer the facility to the school district from which it was purchased. The offer will be governed by these provisions.

Under this bill, not less than 14 calendar days before entering into a contract that transfers an interest in residential real property, a wholesaler, as defined in the bill, acting as a grantee or a wholesaler's representative, shall provide to the property owner a written disclosure. Requirements for the disclosure are described in the bill.

A wholesaler acting as a grantee shall not enter into a contract that transfers an interest in residential property until both the wholesaler and the property owner sign and date the disclosure. If the wholesaler acting as the grantee fails to make the disclosure before entering into the contract that transfers interest in the property, the owner of the property may cancel the contract at any time before the close of the escrow without penalty and the escrow agent shall disburse any earnest money paid by the wholesaler to the owner within 30 days after the cancellation.

Provisions of the bill shall not be modified or waived by any agreement. Any portion of an agreement executed, modified, or extended after the effective date of the bill that modifies or waives provisions of the bill will be null and void.

Any violation of the bill shall be considered an unlawful practice under the Missouri Merchandising Practices Act. A party that enters into an agreement without receiving the disclosure under the bill may bring a private action against a wholesaler.

The Attorney General will have the authority to enforce the provisions of the bill. For any violations, the Attorney General may commence a civil action. If the court finds that a violation occurred, the court may grant relief as described in the bill.

If the wholesaler acting as the grantee fails to make the disclosure before entering into the contract that transfers interest in the property, the owner of the property may cancel the contract at any time before the close of the escrow without penalty and the escrow agent shall disburse any earnest money paid by the wholesaler to the owner within 30 days after the cancellation.

Provisions of the bill can not be modified or waived by any agreement. Any portion of an agreement executed, modified, or extended after the effective date of the bill that modifies or waives provisions of the bill will be null and void.

Any violation of the bill shall be considered an unlawful practice under the Missouri Merchandising Practices Act. A party that enters into an agreement without receiving the disclosure under the bill may bring a private action against a wholesaler.

The Attorney General shall have the authority to enforce the provisions of the bill. For any violations, the Attorney General may commence a civil action. If the court finds that a violation occurred, the court may grant relief as described in the bill.

SALE LEASEBACKS (Section 442.920)

This bill establishes the "Missouri Residential Sale Leaseback Protection Act", which regulates sale leasebacks. A "sale leaseback" is defined as a transaction or series of transactions in which a seller sells residential real estate that is or was the seller's residence to another party and, as a condition of the sale, or as part of the same or a related transaction, enters into a lease or rental agreement to remain in or re-occupy the property. In any sale leaseback transaction, a buyer is required to provide the seller with certain disclosures, specified in the bill, alerting the seller of the nature of the transaction and advising them of certain actions they may wish to take. The disclosure must be provided to the seller not less than 14 calendar days prior to the execution of any sale leaseback agreement, and the disclosure must be signed by both the seller and the buyer concurrently with the execution of the sale leaseback agreement. A copy of the signed disclosure must be provided to the seller within five days of the execution of the sale leaseback agreement. There shall be no delivery, recording, or other transfer of title from seller to buyer until 30 days after the execution of any sale leaseback agreement. Violation of this act is subject to a civil penalty not to exceed \$10,000 per violation. The Attorney General may bring an action to enforce the provisions of the bill. Any seller harmed by a violation of the bill may bring a civil action, as specified in the bill.

These provisions may not be waived or modified by agreement of any party.

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
State Tax Commission
Department of Economic Development
Office of the State Courts Administrator
City of Kansas City
St. Louis City Assessor's Office
Office of Administration
 Administrative Hearing Commission
 Budget & Planning
 Office of the Commissioner
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
 Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Director's Office
 Gaming Commission
 Highway Patrol
 Veterans Commission
 State Emergency Management Agency
Department of Social Services
Office of the Governor
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
Missouri National Guard
MoDOT & Patrol Employees' Retirement System
Petroleum Storage Tank Insurance Fund
Office of the State Public Defender
Office of the State Treasurer

University of Missouri
Office of the Lieutenant Governor
Office of the State Auditor
Missouri House of Representatives
Missouri Senate
Joint Committee on Public Employee Retirement
Oversight Division
Legislative Research
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Missouri State Employee's Retirement System
Joint Committee on Administrative Rules
City of Osceola
City of O'Fallon
City of Springfield
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Christian County Auditor
Northwest Missouri State University
University of Central Missouri
East Buchanan Co. C-1 School District
Clay County Auditor
Missouri Higher Education Loan Authority
Office of the Secretary of State



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April 21, 2026



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