

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4981S.04P
Bill No.: Perfected SS for SCS for SB 973
Subject: Consumer Protection; Merchandising Practices; Real and Personal Property
Type: Original
Date: February 26, 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

§407.3600 – Disclosure by a Real Estate Wholesaler

Officials from the **State Tax Commission** 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.

In response to a previous version, officials from the **Office of the State Courts Administrator**, and the **St. Louis City Assessor’s Office** each assumed 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 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.

Senate Amendment 1 (§407.3600) – Disclosure by a Real Estate Wholesaler

Oversight assumes this amendment is adding clarifying language to codify in statute and will have no fiscal impact on this proposal.

Senate Amendment 2 (§442.920) – Missouri Residential Sale Leaseback Protection Act

In response to similar legislation, SB 1684 (2026), officials from the **Department of Economic Development** 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 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, as amended

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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and county assessors 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
	<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.

FISCAL DESCRIPTION

Under the act, not less than fourteen calendar days before entering into a contract that transfers an interest in residential real property, a wholesaler, as defined in the act, 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 act.

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

Any violation of the act 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 act may bring a private action against a wholesaler.

The Attorney General shall have the authority to enforce the provisions of the act. 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 act.

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



Julie Morff
Director
February 26, 2026



Jessica Harris
Assistant Director
February 26, 2026