

HCS HB 2239 -- REAL PROPERTY TRANSFERS

SPONSOR: Stevenson

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 10 to 0.

This substitute specifies that any transfer fee, declaration, or covenant which requires the payment of a fee to a specific person upon the transfer of real estate will not be binding on or enforceable against any subsequent owner, purchaser, or mortgagee of any interest in real property. Any lien claiming to secure the payment of a transfer fee under a transfer fee covenant recorded in Missouri on or after September 1, 2008, will be void and unenforceable.

A water and sewer line easement cannot be considered as a transfer of title of real property to counties. These easements will not be required to be proved or acknowledged to be valid if authorized for recording by the county commission.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPONENTS: Supporters say that the transfer fee covenants that companies place on titles to real property unduly burden the property owner when trying to resell the property and create a cloud on a title. The covenants make a clean title very difficult and are brought upon unsuspecting buyers of property at closing.

Testifying for the bill were Representative Stevenson; Missouri Land Title Association; and Missouri Bankers Association.

OPPONENTS: There was no opposition voiced to the committee.