

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2715H.02C
Bill No.: HCS for HB 1249
Subject: County Officials; Property, Real and Personal; Mortgages and Deeds; Notary
Public
Type: Original
Date: May 7, 2025

Bill Summary: This proposal modifies provisions governing documents filed or recorded with the Recorder of Deeds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

§§443.295, 486.735, 570.095 & 578.700 – Documents Filed or Recorded with the Recorder of Deeds Office

Officials from the **Department of Corrections (DOC)** state using an average of the last 3 fiscal years, there were no new court commitments and one probation case. Therefore, DOC estimates that changing a Class D felony to a Class C felony will not create an impact over the 10-year reporting period. This version adds misdemeanor penalties, which fall outside the purview of the DOC and therefore will have no impact.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to political subdivisions, Recorders of Deeds, and notaries for the fiscal impact associated with these document governance changes and penalty provisions. This proposal:

- Has no direct impact on B&P.
- Has no direct impact on general or total state revenues.
- Will not impact the calculation pursuant to Art. X, Sec. 18(e).

Officials from the **Office of the State Courts Administrator**, the **Department of Commerce and Insurance**, the **Missouri Highway Patrol**, the **Missouri Department of Transportation**, the **Office of Administration**, the **Office of the Secretary of State**, the **Phelps County Sheriff's Office**, the **Branson Police Department**, the **Kansas City Police Department**, the **St. Louis County Police Department**, the **Missouri Office of Prosecution Services** 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 notes that violations of §§486.735 & 578.700 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other counties, county recorders, county prosecutors and local law enforcement agencies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL SCHOOL DISTRICT FUNDS			
<u>Revenue Gain</u> – potential fine revenue from §§486.735 & 578.700	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT – Small Business

Small businesses who do business as a real estate broker, a title company or a licensed attorney may be impacted by this proposal.

FISCAL DESCRIPTION

This bill prohibits a person from obtaining a loan with a quitclaim deed unless the person is a party to the original warranty deed or obtained title to the property through a quiet title action.

The bill increases the penalty for filing false documents from a class D felony to a class C felony for the first offense, and from a class C felony to a class B felony under certain circumstances, as provided in the bill.


This bill provides that, upon presentation of information to law enforcement from a property owner indicating that a quitclaim deed is fraudulent, and an affidavit attesting to the accuracy of that claim, law enforcement must investigate the complaint. If law enforcement finds reasonable evidence that the transaction was fraudulent, they will refer the matter to the prosecuting attorney. The prosecutor has 45 days to investigate the complaint. If there is probable cause the document was filed fraudulently, the prosecutor will petition for judicial review.

The bill also increases the penalty for knowingly impersonating a notary to a class A misdemeanor, punishable upon conviction by a fine not exceeding \$2,000 or imprisonment for not more than one year, or both.

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

Department of Commerce and Insurance
Department of Corrections
Missouri Highway Patrol
Office of Administration - Budget and Planning
Missouri Department of Transportation
Office of Administration
Office of the Secretary of State
Phelps County Sheriff's Office
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
Missouri Office of Prosecution Services
State Tax Commission
Office of the State Courts Administrator



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May 7, 2025



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