

HCS HB 1249 -- FILED OR RECORDED DOCUMENTS

SPONSOR: Amato

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Local Government by a vote of 15 to 1.

The following is a summary of the House Committee Substitute for HB 1249.

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.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill is needed to prevent quitclaim deed fraud. No person impersonating a notary is doing so for a valid reason. The bill strikes a good balance protecting property owners' interests while not placing onerous requirements on recorders and title companies.

Testifying in person for the bill were Representative Amato; Recorders Association of Missouri; and Arnie C. Dienoff.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.