

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5859H.02P
 Bill No.: Perfected HCS for HB 2517
 Subject: Real and Personal Property; Merchandising Practices
 Type: Original
 Date: April 8, 2026

Bill Summary: This proposal creates provisions relating to real property, with penalty provisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight assumes the unknown cost will not exceed \$250,000 annually.

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 **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. The AGO assumes because of the change in language in the substitute version of the bill allowing discretionary enforcement, the AGO would now assume no fiscal impact for this proposal.

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 **State Tax Commission, Office of the State Courts Administrator** 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 **City of Springfield** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

House Amendment 1 – Title Change

Oversight assumes no fiscal impact from this amendment.

House Amendment 2 - §§534.602, 534.604 and 569.200 – Unlawful Use of Real Property

In response to similar legislation, Perfected HCS for HB 2099, officials from the **Office of the State Courts Administrator (OSCA)** stated there may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this amendment may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will

review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

In response to similar legislation, Perfected HCS for HB 2099, officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this amendment can be absorbed with existing resources. The AGO may seek additional appropriations if the amendment 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 amendment with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

In response to similar legislation, Perfected HCS for HB 2099, officials from the **City of Osceola** assumed the amendment will have a fiscal impact but did not provide any additional information.

In response to similar legislation, Perfected HCS for HB 2099, officials from the **Office of the State Public Defender, City of O'Fallon, Branson Police Department, and St. Louis County Police Department** each assumed the amendment would 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.

Responses regarding the proposed legislation as a whole, as amended

Officials from the **Missouri Office of Prosecution Services, State Tax Commission, Department of Public Safety - Missouri Highway Patrol, Department of Commerce and Insurance, City of Kansas City, Phelps County Sheriff's Office, Kansas City Police Department** and the **City of St. Louis Assessor's Office** 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, counties, county assessors, county circuit clerks, county public administrators and local law enforcement 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
GENERAL REVENUE			
<u>Cost – OSCA (§§534.602, 534.604 & 569.200) Potential increase in caseload p.3</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</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)

Small real estate businesses under §534.602 could be impacted as a result of this proposal.

FISCAL DESCRIPTION

§407.3600 – Disclosure by a Real Estate Wholesaler

Under this bill, 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, must provide to the property owner a written disclosure statement. Requirements for the disclosure are described in the bill.

A wholesaler acting as a grantee must not enter into a binding contract that transfers an interest in residential property until both the wholesaler and the property owner sign and date the disclosure statement.

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 can cancel the contract before the close of the escrow without penalty and the escrow agent will disburse any earnest money paid by the wholesaler to the owner within 30 days after the cancellation.

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

§§534.602, 534.604 and 569.200 – Unlawful Use of Real Property

Currently, property owners can file a petition to seek relief for the removal of any unlawful occupants from property containing a residential dwelling.

This bill expands the petition's coverage to private noncommercial property.

Currently, when a law enforcement officer has probable cause to believe that an unlawful occupant on property containing a residential dwelling has violated an ex parte order to remove that person from the property, the officer must arrest the offending party regardless of whether the violation occurred in the presence of the arresting officer. If such an arrest is made in good faith, the arresting and assisting law enforcement officers and employing entities and superiors will be immune from liability for false arrest, false imprisonment, or malicious prosecution.

This bill makes it clear that it must be the arresting and assisting law enforcement officer's employing entities and superiors who will be immune from liability.

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
Office of the State Courts Administrator
State Tax Commission
City of Kansas City
City of Springfield
City of St. Louis Assessor's Office
City of Osceola
Department of Commerce and Insurance
Missouri Highway Patrol
Office of the State Public Defender
Missouri Office of Prosecution Services

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City of O'Fallon
Phelps County Sheriff's Office
Branson Police Department
Kansas City Police Department
St. Louis County Police Department



Julie Morff
Director
April 8, 2026



Jessica Harris
Assistant Director
April 8, 2026