

HB 1943 -- PROTECTIONS AGAINST DOCUMENT FRAUD

SPONSOR: Hruza

This bill creates "The Real Property Fraud Prevention Act".

The bill requires the recorder of deeds of each county to provide notice to each owner of a parcel of real property that a general warranty deed or quitclaim deed that affects the ownership of the parcel has been submitted for recording.

The recorder must:

(1) Delay the recording of the deed for at least five working days from the date of the deed's receipt to provide time for notification of the property owner;

(2) Notify each property owner by phone, text, fax, or email, if that information is known about the property owner; and.

(3) Send the notification by first-class mail to the address of record of the property owner of the parcel informing them that the deed affects the ownership interest in the property.

If the owner of the property provides written confirmation that the deed is legitimate, the delay will no longer apply if it has not fully expired.

If the recorder is notified that the deed is fraudulent by each property owner prior to the expiration of the delay period, the recorder must delay recording the deed for at least two additional business days to provide time for the property owner to seek an order from a court to prohibit the recording of the fraudulent deed.

The recorder must not delay the recording of a general warranty or quitclaim deed if it was submitted by a real estate broker with a valid license, or if it was reviewed by a title company that is duly licensed and has issued title insurance to guaranty the validity of the deed.

The recorder of deeds is authorized to reject and return a general warranty or quitclaim deed that is deemed by the recorder to be defective, as defined in the bill.

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 fine for a vendor or manufacturer that sells notary seals that fail to comply with the requirements in Section 486.735, RSMo, from \$1,000 to \$5,000 per violation.

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.

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 and if there is probable cause the document was filed fraudulently, the prosecutor will petition for judicial review. If the property owner is found to have knowingly presented a false claim to law enforcement, that person may be subject to prosecution for perjury.

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 no more than one year, or both.

This bill is similar to HCS HB 1249 and HB 323 (2025).