

### Agricultural Property

- For the first time since the early 1980's non-resident aliens may purchase agricultural property in Missouri.

### Business Taxes

- Real estate licensees are exempt from employment security tax.
- Real estate licensees are exempt from workers compensation insurance tax.
- A city cannot require you to purchase a city business license unless you have an office in the city.
- No sales tax on commissions

### Certificate of Value/Sales

#### Price Disclosure

- There is no statewide sales price disclosure.

### Commissions

- A lien may be established to protect a broker's commission in a commercial transaction.
- The executor of an estate may pay a real estate sales commission for the sale of the real property of an estate.
- School districts may pay real estate sales commissions.
- No unearned referral fee demands

### Credit Availability

- There is a statutory system for creating a maintenance agreement for private roads, this allows long term fixed rate financing on affected properties.

- Local political subdivisions are prohibited from enacting local ordinances on real estate lending.

### Earnest Money Disputes

- Earnest money dispute resolution sends disputed funds to the Office of the State Treasurer and allows them to deal with the problem.

### Employment Security

- Modified the longstanding exemption that real estate licensees enjoyed for the payment of unemployment compensation insurance taxes to make it more closely match the federal exemption.

### For Sale Signs

- Cities cannot prohibit real estate For Sale signs.

### Immunity

- Real estate agents are immune from liability for statement made by certain 3rd party inspectors unless they employed or recommended the inspector or knew prior to the closing that the statement was false.

### Landlord/Tenant Issues

- Property owner identity protected from disclosure to tenants.
- Possession cases in landlord/tenant disputes only require that the property be posted with summons.
- No local political subdivision may impose rent control.
- Reduced liability for landlord when removing tenants property under a court ordered eviction
- *Trial de Novo* has been removed as an option in landlord/tenant actions.

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# Missouri REALTORS® LEGISLATIVE VICTORIES THROUGH 2017

## Landlord/Tenant Issues *(cont'd)*

- The defense of "claim of right" is not available to any tenant who willfully or wantonly destroys, defaces, damages, impairs, or removes any part of a leased structure or dwelling unit.
- Landlords may now seek an order of execution ten days after judgement. All security deposits must be kept in a trust account. Landlords and tenants may agree on funds to be withheld for carpet cleaning and landlord may withhold those funds from the security deposit. Within 30 days after the expiration of tenancy, the landlord must give the tenant a receipt for the actual cost of carpet cleaning. *(HB 1862 2016 Session)*
- In nuisance abatement actions city must give notice to both the occupant of the property and the owner at their last known address. *(SB 572 2016 Session)*

## License Law

- **HB 174 passed and signed in 2005**, provided for minimum services and prohibited certain felons and sexual predators from being licensed.
- **HB 1339 passed and signed in 2006:**
  - Moved the regulation dealing with advertising from the rules to the statute
  - Clarified the exemption for newspapers and other media when the underlying purpose isn't advertising real estate.
  - Required that a person be licensed two years as a Salesperson and complete an approved school before they can be licensed as Broker
- **HB 780—SB 308 both passed and signed in 2007**
  - Real Estate Commission may now impose fines of up to \$2,500 per occurrence on individuals and companies who violate the real estate license law. Fine can be imposed after a hearing before the Administrative Hearing Commission on both licensed and unlicensed entities.

- **SB 788 passed in 2008, provides for commercial portability**
  - Allows both broker and sales licensees to use a broad range of business organizations, LLC, PC, etc. in their business.
  - If MREC disciplines a licensee it must notify the supervising broker.
  - All state agencies are required to accept electronic payments
  - Licensees do not have to keep copies of written or electronic communication that is ephemeral in nature such as text messages, instant messages or other communication that is not designed to be retained or create a permanent record.
  - The word "sold" means that the title to the real estate had been transferred or that the real estate had become subject to a bona fide sale contract or purchase agreement. This change makes it clear that a real estate licensee may place a "sold" sign on a property prior to closing.

## Psychologically Impacted Property

- The fact that a property is psychologically impacted or close to one that is shall not be a material or substantial fact required to be disclosed in a real estate transaction.

Psychologically impacted property includes:

- Certain diseases
- Real Property that was the site of a homicide or other felony or a suicide

## Title Insurance

- Amendments to law passed in 2007 require title agents to place funds in their possession in escrow accounts; amendments to the 2007 law, passed in 2008 insure that up to \$2,500 in non-certified funds may be accepted by a title agent at closing.
- Complete re-write of Mechanics Lien law as applies to residential property.

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# Missouri REALTORS® LEGISLATIVE VICTORIES THROUGH 2017

- Secretary of State must promulgate rules for notarized digital signatures. (*SB 932 2016 Session*)
- Title insurance companies may issue closing protection letters and charge a fee for all transactions where its title insurance policies are issued and where its issuing agent or agency is performing settlement services. Closing protection letters may not be waived. (*SB 833 2016 Session*)
- Nothing in the statute dealing with surveyors precludes work done in the usual practice of title insurance as set out in chapter 381 or the practice of law as governed by the Missouri supreme court. (*SB 833 2016 Session*)

## Transfer Fee Covenants

- Private transfer fee covenants are prohibited in Missouri

## Tax Credits for Real Estate Development

- Both Historic and Low Income Housing Tax credits have been protected by the Association.

## Transfer Taxes

- We opposed and defeated an attempt to impose additional recording fees in counties of the second or third class. These recording fees were viewed as a tax imposed on the transfer of real property which is prohibited by Article X Section 25 of the Missouri Constitution.

## Nuisance ordinances

- Passage of *SB 731* in 2014 gives property owners additional tools to protect the value of their property because of action or lack thereof by negligent and irresponsible neighbors.

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