

VII. DISCLOSURE OF INFORMATION REGARDING METHAMPHETAMINE / CONTROLLED SUBSTANCES (DSC-5000)

This form was developed in response to SB 89 & 37, which became Missouri law effective August 28, 2001 (the “Act”). The Act repealed five existing statutory sections and enacted 13 new sections covering a broad variety of topics, from school district discipline policy and procedures to criminal liability involving the sale, manufacture or possession of methamphetamine and its precursor products and other controlled substances. In pertinent part, the Act requires a Seller (§442.606 RSMo.) or a Landlord (§441.236 RSMo.) with prior knowledge of production of methamphetamine on the Property, or that the Property was the residence, storage site or laboratory of a person convicted of certain crimes involving the possession or production of methamphetamine or other derivative controlled substances, to disclose such facts in writing to the Buyer/Tenant. Form DSC-5000 is designed for use in both sale and lease transactions, whether residential, farm, vacant land or commercial property.

The Act does not prescribe when the disclosure must be made (presumably no later than the signing of the Contract or lease) or any specific civil ramifications of failure to make any required disclosure. In addition to potential criminal liability, failure to disclose presumably would allow a Buyer/Tenant to terminate, and possibly rescind (*i.e.*, after the fact), a Contract/lease. Realtors are encouraged to cause any required disclosure to be made as soon as possible in the marketing process, and to have the Buyer/Tenant sign-off to indicate its receipt of the disclosure form immediately. The implications and consequences of the Act should become more clear over time. The particulars of DSC-5000 are discussed below.

A.	Complete the Reference (identification) line in a manner consistent with the applicable Contract or lease (if any).
B.	Insert the address of the subject Property.
2-4	The form provides that disclosure is not intended to be a warranty of any kind and is not a substitute for any inspection or warranty that may be desired. Many of the regulated substances pose serious health hazards. The Inspection Period set forth in the Contract should still apply, but whether any recourse is available to a tenant who signs a lease after the disclosure form is provided remains unclear.
8-18	The Act requires a Seller/Landlord to disclose in writing to the Buyer/Tenant that the subject Property was used as a site for methamphetamine production, provided that the Seller/Landlord has knowledge of such. In such case, Box 1 should be checked. The Act also requires the Seller/Landlord to disclose “ <i>any prior knowledge</i> ” of such production, regardless of whether the person(s) involved in the production were convicted for such production. Box 2 should be completed to the fullest extent possible to explain the source, nature and scope of any knowledge which the Seller/Landlord may have regarding such matters. Accordingly, if Box 1 is checked, Box 2 should also be checked and completed, to the fullest extent possible, in order to provide the most protection against liability, regardless of how limited the knowledge available to the Seller/Landlord may be.

(A)



Disclosure of Information Regarding Methamphetamine/Controlled Substances

(B)

1 **Property Address:** _____

2 The following is a disclosure statement, made by the Seller/Landlord, regarding the above property. This
3 disclosure is not a warranty of any kind and is not a substitute for any inspection or warranty the Buyer/Tenant
4 may wish to obtain.

5 **To the Seller/Landlord: Please complete the following form, by checking the applicable box(es), and**
6 **include an explanation of any prior knowledge of methamphetamine production, regardless of whether**
7 **the person(s) involved in the production were convicted for such production.**

8 1. Seller/Landlord hereby discloses that the above described real property/premises is or was used as a
9 site for methamphetamine production.

10 2. Explanation of any prior knowledge of methamphetamine production (**attach additional pages if**
11 **additional space is required**)

12 _____
13 _____
14 _____
15 _____
16 _____
17 _____
18 _____

19 3. Seller/Landlord hereby discloses that the above described real property/premises was:

- 20 the place of residence of a person convicted of any of the following crimes; and/or
21 the storage site or laboratory for any of the substances for which a person was convicted of any of the
22 following crimes:

- 23 (1) Creation of a controlled substance in violation of Section 195.420 RSMo,
24 (2) Possession of ephedrine with intent to manufacture methamphetamine in violation of Section
25 195.246 RSMo;
26 (3) Unlawful use of drug paraphernalia with the intent to manufacture methamphetamine in violation of
27 subsection 2 of Section 195.233 RSMo;
28 (4) Endangering the welfare of a child by any of the means described in subdivision (4) or (5) of
29 subsection 1 of Section 568.045 RSMo; or
30 (5) Any other crime related to methamphetamine, its salts, optical isomers and salts of its optical
31 isomers either in Chapter 195 RSMo, or in any other provision of law.

32 Brokers are hereby authorized to distribute this information to potential Buyers/Tenants for this property.
33 Seller/Landlord acknowledges that the information contained above is true and accurate to the best of its
34 knowledge.

(C)

(C)

35 _____
36 **Seller/Landlord** **Date** **Seller/Landlord** **Date**

37 The Buyer/Tenant is urged to carefully inspect the property and, if desired, to have the property inspected by
38 an expert. Buyer/Tenant also acknowledges that (s)he/it has read and received a copy of this statement from
39 Seller/Landlord or his/her/its Broker.

(D)

(D)

40 _____
41 **Buyer/Tenant** **Date** **Buyer/Tenant** **Date**

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19-31	<p>The Act also requires written disclosure if the subject Property was (A) the storage site or laboratory (if so, check the second box below Box 3) for any substance for which a person was convicted of any of the crimes listed in subparts (1)-(5); or (B) the residence (if so, check the first box below Box 3) of a person convicted of any such crime (<i>i.e.</i>, regardless of whether the Property was the site of production).</p> <p>Note: Various statutory provisions and defined terms are cross-referenced in the list of crimes specified at subparts (1)-(5). Despite the use of terms such as “controlled substances” and “drug paraphernalia,” it appears that the scope of the Act is limited to such items which are used in connection with the possession and/or production of methamphetamine, amphetamine and their analogues and precursor products.</p>
32-34	<p>The form specifically authorizes Brokers to distribute it to potential Buyers/Tenants. It also contains an acknowledgment that the information set forth therein is true and accurate to the best knowledge of the Seller/Landlord.</p>
C.	<p>Obtain the signature and fill in the date on which the Seller/Landlord signed the disclosure form.</p>
37-39	<p>Buyers/Tenants are admonished to have the Property inspected should they so desire. The form is designed to acknowledge a Buyer’s/Tenant’s receipt of, and having read, the methamphetamine disclosure statement.</p>
D.	<p>Obtain the signature and fill in the date on which the Buyer/Tenant signed the disclosure form to acknowledge its receipt.</p>

(A)



Disclosure of Information Regarding Methamphetamine/Controlled Substances

(B)

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(D)

(D)

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