

By: Senator(s) Moffatt

To: Judiciary, Division A

SENATE BILL NO. 2965

1 AN ACT TO AMEND SECTION 89-1-501, MISSISSIPPI CODE OF 1972,
2 TO EXCLUDE THE SALE OF A NEW HOME TO THE INITIAL PURCHASER FROM
3 DISCLOSURE REQUIREMENTS; AND FOR RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 **SECTION 1.** Section 89-1-501, Mississippi Code of 1972, is
6 amended as follows:

7 89-1-501. (1) The provisions of Sections 89-1-501 through
8 89-1-523 apply only with respect to transfers by sale, exchange,
9 installment land sale contract, lease with an option to purchase,
10 any other option to purchase or ground lease coupled with
11 improvements, of real property on which a dwelling unit is
12 located, or residential stock cooperative improved with or
13 consisting of not less than one (1) nor more than four (4)
14 dwelling units, when the execution of such transfers is by, or
15 with the aid of, a duly licensed real estate broker or
16 salesperson.

17 (2) There are specifically excluded from the provisions of
18 Sections 89-1-501 through 89-1-523:

19 (a) Transfers pursuant to court order, including, but
20 not limited to, transfers ordered by a probate court in
21 administration of an estate, transfers pursuant to a writ of
22 execution, transfers by any foreclosure sale, transfers by a
23 trustee in bankruptcy, transfers by eminent domain, and transfers
24 resulting from a decree for specific performance.

25 (b) Transfers to a mortgagee by a mortgagor or
26 successor in interest who is in default, transfers to a
27 beneficiary of a deed of trust by a trustor or successor in

28 interest who is in default, transfers by any foreclosure sale
29 after default, in an obligation secured by a mortgage, transfers
30 by a sale under a power of sale or any foreclosure sale under a
31 decree of foreclosure after default in an obligation secured by a
32 deed of trust or secured by any other instrument containing a
33 power of sale, or transfers by a mortgagee or a beneficiary under
34 a deed of trust who has acquired the real property at a sale
35 conducted pursuant to a power of sale under a mortgage or deed of
36 trust or a sale pursuant to a decree of foreclosure or has
37 acquired the real property by a deed in lieu of foreclosure.

38 (c) Transfers by a fiduciary in the course of the
39 administration of a decedent's estate, guardianship,
40 conservatorship or trust.

41 (d) Transfers from one co-owner to one or more other
42 co-owners.

43 (e) Transfers made to a spouse, or to a person or
44 persons in the lineal line of consanguinity of one or more of the
45 transferors.

46 (f) Transfers between spouses resulting from a decree
47 of dissolution of marriage or a decree of legal separation or from
48 a property settlement agreement incidental to such a decree.

49 (g) Transfers or exchanges to or from any governmental
50 entity.

51 (h) Transfers of real property on which no dwelling is
52 located.

53 (i) The provisions of Section 89-1-527.

54 (j) The transfer of a new home to an initial purchaser
55 by a builder.

56 (i) The terms "home" and "builder" shall have the
57 meanings ascribed in Section 83-58-3.

58 (ii) "Initial purchaser" means any person for whom
59 a home is built or the first person to whom a new home is conveyed
60 upon completion of construction.

61 **SECTION 2.** This act shall take effect and be in force from
62 and after July 1, 2007.