## HAUNTED HOUSES: DISCLOSING SPOOKY ACTIVITY IN THE STATE OF MISSOURI

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While many people seek to be spooked during the month of October leading up to Halloween—homebuyers most certainly do not want to be spooked by their new house. Is a house that is allegedly haunted or was the site of a creepy event considered a material defect that must be disclosed by sellers to prospective buyers? The Missouri legislature has, at least partially, addressed this issue.

### Here is a non-comprehensive list of events that could potentially "stigmatize" real property:

Paranormal Activity + Haunted House (e.g., <u>The Shining</u>)

+ Murder

**Criminal Activity** + Burglary

+ Drug Production or Consumption (e.g., <u>Breaking Bad</u>)

+ Death

Death or Disease Activity + Suicide

+ Communicable or Stigmatized Diseases (e.g., HIV/AIDS)

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**Threatening Activity** 

- + Neighbors (e.g., Psycho)
- + Unsolicited Threats Targeting Property

**Religious Activity** 

+ Burial Ground (e.g., Poltergeist)

+ Religious Organization (e.g., The Exorcist)

# In 1991, the Missouri legislature adopted <u>R.S.Mo. § 442.600.2</u>, which offers the following list of events which could result in a "psychologically impacted real property":

- 1. Real property in which an occupant is, or was at any time, infected with human immunedeficiency virus or diagnosed with acquired immune deficiency syndrome, or with any other disease which has been determined by medical evidence to be highly unlikely to be transmitted through the occupancy of a dwelling place; or
- 2. Real property which was the site of a homicide or other felony, or of a suicide.

Even though the <u>Missouri Governor's Mansion is purportedly haunted</u>, the Missouri legislature apparently does not believe in ghosts, as the list of events that may result in a "psychologically impacted real property" does not include haunting and is considerably narrower than the events that could potentially stigmatize a property.

Alternatively, perhaps the legislature's omission with respect to paranormal activity in the definition of "psychologically impacted real property" indicates that the legislature considers paranormal activity to have more than a psychological impact to property? \*\*cue spooky music\*\*

Generally, Missouri law requires sellers to disclose the existence of any known material defects that affect real property. A seller who fails to disclose the existence of any known material defect may be liable for breach of contract or fraud.

#### R.S.Mo. § 442.600.1

R.S.Mo. § 442.600.1 provides that a property that is psychologically impacted is <u>not</u> a material or substantial fact that is required to be disclosed by a seller in a sale, exchange or transfer of real estate. A seller's knowledge that methamphetamine (or "meth") was produced on a property, however, is required to be disclosed pursuant to <u>R.S.Mo.</u> § 442.606.

While the Missouri legislature set out to clarify sellers' disclosure obligations, some questions remain. For example, is a seller required to disclose that its house is allegedly haunted? Is it a misrepresentation for a seller to deny the existence of a suicide on a property in response to a seller's question explicitly regarding suicides?

In any event, as Missouri law may not require Sellers to disclose "<u>if there</u>'s <u>something strange in your neighborhood</u>"...who you gonna call? **Capes Sokol** 

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