

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0108-03
Bill No.: HCS for HB 925
Subject: Manufactured Housing; Landlords and Tenants; Utilities; Property, Real and Personal
Type: Original
Date: March 24, 2017

Bill Summary: This proposal would create a Manufactured Home and Mobile Home Residency Law.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission** and **Division of Energy** assume this proposal would result in no impact to their organizations.

Oversight requested additional information from the **Department of Economic Development - Public Service Commission (PSC)** and we were informed the PSC did not anticipate this proposal would result in any significant expansion of PSC authority or responsibility. PSC officials also assume any additional cost from implementing this proposal would be minimal and could be absorbed with existing resources.

Officials from the **Department of Economic Development - Office of Public Counsel (OPC)** assume the Public Service Commission would be tasked with promulgating regulations that would likely impose a cost of compliance to all host sites, and to all utility providers who would be obligated to comply with PSC rules.

Further, as the PSC is funded through assessments of regulated utilities, all entities that would be required to comply with its rules should pay an assessment on the time and resources of the PSC and the Office of Public Counsel devoted to the creation and implementation of this regulatory regimen.

OPC officials assume implementing this proposal would require one additional FTE Public Utility Accountant III to oversee the drafting and implementation of the rules promulgated and adopted by the PSC in accordance with this proposal.

OPC officials also assume this proposal would create additional filing requirements for regulated entities, that have the potential to create multiple filings in multiple new processes. These additional filings would require additional review, and could result in contested hearings before the Commission requiring additional legal work and evaluation from accountants.

In summary, the OPC response included one additional employee with related equipment and expense; the total cost was \$66,347 for FY 2018, \$78,769 for FY 2019, and \$79,520 for FY 2020.

Oversight will assume for fiscal note purposes, that any additional cost to the OPC would be minimal and could be absorbed with existing resources. If unanticipated additional costs are incurred, resources could be requested through the budget process.

ASSUMPTION (continued)

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of State Courts Administrator**, the **Office of the Attorney General**, the **Office of Administration - Division of Budget and Planning**, and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Joint Committee on Administrative Rules** stated the legislation is not anticipated to cause a fiscal impact to their organization beyond its current appropriation.

Oversight assumes this proposal would have no direct fiscal impact on the state or on local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to a small business which operates manufactured or mobile home parks.

FISCAL DESCRIPTION

The proposed legislation would make changes to laws regarding manufactured and mobile homes.

The proposal would require a property owner claiming a lien on an abandoned manufactured or mobile home to post a written notice on the manufactured or mobile home for at least 30 days, in addition to the current certified mail requirement.

Additional fees not listed in the rental agreement could only be imposed after giving the owner of a manufactured or mobile home 60 days notice. The proposal would require such fees to be listed separately from rent and, if applicable, utility fees in the billing statement.

A landlord would be required to provide all owners in the park at least 60 days notice before amending a manufactured or mobile home park's rules and regulations. A landlord could not charge a fee for the enforcement of any of the manufactured or mobile home park's rules, except fees for maintenance or cleanup if the homeowner has failed to comply with the rule 7 days after being notified of the violation.

The proposal would specify that a park is responsible for the maintenance and repair of all pipes, lines, and sub-meters beyond the master-meter, and a water utility could not be required to make repairs to or perform maintenance on the submeter system.

The park would be required to comply with the Missouri Public Service Commission's residential billing standards and provide safe and adequate service at nondiscriminatory, just, and reasonable rates as those terms are generally applied to public utilities. The proposal would require complaints regarding utilities to be resolved according to the Missouri Public Service Commission's procedures.

A landlord would be required to provide at least 60 days written notice before increasing the rent of any manufactured or mobile home owner. Any rent increase would also be required to comply with the terms of the lease, if one exists, or it would not apply until after the lease has ended.

FISCAL DESCRIPTION (continued)

The proposal would provide the landlord authority to remove a car from a manufactured or mobile home park after posting a notice on the car's windshield at least 24 hours prior to the removal.

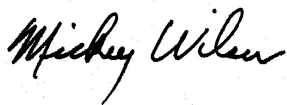
Landlords would be responsible for maintaining the trees within a park, and a homeowner would be required to get written permission from management before a tree is cut down. Landlords would be responsible for the maintenance of driveways installed by park management, and homeowners would be responsible for the maintenance of homeowner installed driveways. The proposal would allow park management and a homeowner to agree to different lease terms with regard to trees and driveways.

The proposal would only apply to rental agreements entered into, renewed, or extended after August 28, 2017.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Office of the Secretary of State
Office of the Attorney General
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
Department of Economic Development
 Division of Energy
 Office of Public Counsel
 Public Service Commission
Department of Revenue



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