

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5074-03  
Bill No.: HCS for HB 1510  
Subject: Housing; Political Subdivisions; Cities, Towns and Villages; Counties;  
Construction and Building Codes  
Type: Original  
Date: February 28, 2018

---

Bill Summary: This proposal changes the laws regarding political subdivisions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to similar legislation from 2017, HCS for HB 1189, officials at the **City of Independence** assumed a loss in revenue of \$138,000 per year from inspections.

**Oversight** assumes there are other cities and counties who charge a fee on interior inspections of private residences through their local ordinances. However, Oversight is unclear on the number of cities and counties in the state that charge this fee. Therefore, Oversight will assume an unknown loss in revenues for this proposal.

Officials at the **Branson Police Department** assume this bill presents a large fiscal risk to Branson PD and the city as we continue to experience ongoing problems with low rent, extended stay motels that cater to the criminal and drug cultures. Passage of this bill would directly impact our "Tier" system that allows us to hold property owners accountable and require them to take steps to make their properties safer. This bill would tie our agency's hands and allow these property owners to continue their business practices and entice more criminals to take up residence at these locations. There are currently over 40 locations in Branson that have this potential and it is only the Tier system that has allowed us to keep some property owners responsible. Taking this away would have a large financial impact on not only Branson but the state as it can drastically impact tourism by creating an unsafe tourist location.

Officials at the **Department of Economic Development**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety's Missouri Highway Patrol**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Office of Prosecution Services**, the **Office of the State Public Defender** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **Office of the State Courts Administrator** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials at the **Springfield Police Department**, the **Joplin Police Department**, the **City of Branson** and the **City of Kansas City** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at **St. Louis County**, **Boone County**, the **Callaway County Commission** and the **City of Springfield** each assumed no fiscal impact to their respective entities from this proposal.

ASSUMPTION (continued)

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Wayne, and Worth did not respond to **Oversight’s** request for fiscal impact.

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, St. Charles City Administrator, St. Louis City Budget Division, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

**LOCAL POLITICAL SUBDIVISIONS**

<u>Revenues</u> - Cities and Counties - loss of fees for interior inspections from local ordinances	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
---	-------------------------	-------------------------	-------------------------

FISCAL IMPACT - Small Business

There could impact to small businesses who have residential dwelling rentals as a result of this proposal.

### FISCAL DESCRIPTION

This bill prohibits a city or county from adopting or enforcing a residential property licensing ordinance that includes a requirement for periodic interior inspections of privately-owned residential property for city or county code violations. An occupant of privately-owned residential housing may request a city or county inspection at any time to determine code violations. A political subdivision cannot require a seller or transferor of real property to obtain an inspection or permit of the real property in order to sell or transfer the property.

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

Branson Police Department  
City of Independence  
Department of Economic Development  
Department of Public Safety - Missouri Highway Patrol  
Department of Health and Senior Services  
Department of Mental Health  
Office of the State Courts Administrator  
Department of Labor and Industrial Relations  
Office of Prosecution Services  
Office of the State Public Defender  
State Tax Commission  
St. Louis County  
Boone County  
Callaway County Commission  
City of Springfield  
Springfield Police Department  
Joplin Police Department  
City of Branson  
City of Kansas City

Ross Strobe



L.R. No. 5074-03  
Bill No. HCS for HB 1510  
Page 6 of 6  
February 28, 2018

Acting Director  
February 28, 2018