

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3718-01
Bill No.: HB 1442
Subject: Health Care; Health Department; Housing; Manufactured Housing
Type: Original
Date: February 22, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$469,983)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$469,983)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Manufactured Homes Community	\$892,500	(\$523,422)	\$355,696 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$892,500	(\$523,422)	\$355,696 to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development–Public Service Commission** and the **Office of State Treasurer** assume this proposal would not fiscally impact their agencies.

Officials from the **Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. SOS is provided with core funding to handle a certain amount of normal activity resulting from each years legislative session. The fiscal impact for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes 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, SOS reserves 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 **Department of Health and Senior Services (DOH)** state DOH preliminary research indicates there are approximately 700 mobile home communities in Missouri and the average number of lots per community is 85. Accordingly, DOH estimates FY 2007 revenue as

ASSUMPTION (continued)

\$15 (initial application fee) x 59,500 lots (700 x 85) = \$892,500. DOH has used an annual increase of 2% per year to account for new lots in subsequent year. The renewal requirement is every two years.

DOH states it will require 6 Env Public Health Spec III's (one located in each regional office). There will also be a need for an Env Public Health Spec V to serve as program manager and supervise the 6 inspectors. DOH anticipates needing 1 clerical person (Office Sup Assist) to provide clerical support and related paperwork to the permitting process and a Sr Office Sup Assist to supervisor the OSA and serve as clerical support for the program manager.

The 6 EPH III's will perform the inspections and initial permitting of the lots. In the second renewal period beginning in FY 2009, DOH intends to contract the re-permitting to the Local Public Health Agencies. DOH was unable to determine what the potential cost of the program for FY 2009 and beyond because DOH does not know how much the Local Public Health Agencies will require to perform this function. Beginning in FY 2009 and beyond the state FTE will do initial permitting of new communities, complaint inspections, and provide oversight and training for the Local Public Health Agencies.

DOH used the Bureau of Child Care (BCC) as a model for determining the need for the 6 EPH's . There are 8 EPH's in BCC that monitor similar contracts (approx. 4,000) with local public health agencies. DOH assumes they will only need one inspector in the Kansas City and St. Louis areas. DOH states inspectors will perform the initial inspections and permitting until the renewal process is transferred to the counties, at which time the role of the inspectors will switch to complaint investigation, oversight, and training for the local public health agencies.

DOH is showing all funding for FY 2007 coming from General Revenue because there will be no funds in the "new fund" to receive the permitting fees (\$15 per lot for the initial application). In FY 2008 and FY 2009 DOH is showing the costs coming from "new fund." DOH states if the application fee remains at \$15 per lot for renewal permits, it is likely there will be insufficient revenue to cover the costs of the contracts with the Local Public Health Agencies which DOH estimates will be in excess of \$500,000.

Oversight has, for fiscal note purposes only, changed the starting salary for the DOH positions to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

ASSUMPTION (continued)

Officials from **Jefferson County**, **St. Louis County**, and **Hickory County** assume this proposal would have no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE

Costs - Department of Health and Senior Services

Personal Service (9FTE)	(\$240,690)	\$0	\$0
Fringe benefits	(\$106,048)	\$0	\$0
Expense and Equipment	<u>(\$123,245)</u>	<u>\$0</u>	<u>\$0</u>

**ESTIMATED NET EFFECT ON
GENERAL REVENUE**

<u>(\$469,983)</u>	<u>\$0</u>	<u>\$0</u>
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**MANUFACTURED HOMES
COMMUNITY**

Income - Department of Health and Senior Services

Permit fees	\$892,500	\$17,850	\$910,350
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Costs - Department of Health and Senior Services

Personal Service (9FTE)	\$0	(\$301,645)	(\$309,186)
Fringe benefits	\$0	(\$132,905)	(\$136,227)
Expense and Equipment	\$0	(\$106,722)	(\$109,241)
Contract	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>

<u>Total Costs</u> - Department of Health and Senior Services	<u>\$0</u>	<u>(\$541,272)</u>	<u>(Greater than \$554,654)</u>
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**ESTIMATED NET EFFECT ON
MANUFACTURED HOMES
COMMUNITY**

<u>\$892,500</u>	<u>(\$523,422)</u>	<u>\$355,696 to (Unknown)</u>
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FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes the Manufactured Home Health and Safety Act which provides minimum standards for the maintenance, sanitation, and use of manufactured home communities. Local governments may establish additional or more stringent standards. Beginning January 1, 2007, persons and entities are prohibited from establishing, maintaining, or operating manufactured home communities without a permit from the Department of Health and Senior Services.

Permit applications must include an approved zoning permit or a statement from the applicable political subdivision that no zoning permit is required. The application fee cannot exceed \$15, and permits must be renewed every two years. Existing manufactured home communities have 180 days from August 28, 2006, to submit a permit application; and new communities must apply at least 60 days before the first day of operation. All information required in the application is specified in the proposal.

Manufactured home communities must be inspected at least once every two years and may be inspected at any time if a violation is suspected. The reasons a permit may be denied, suspended, or revoked are specified; and an appeal process is established. Operation of a manufactured home community without a permit will result in a court-ordered receivership until compliance is met.

Each home in a manufactured home community must be connected to water, sewer, and electrical or gas service prior to occupancy; and all these services must meet all applicable codes and standards.

Additional responsibilities and requirements of owners of manufactured home communities are specified, including street maintenance, weed removal, and garbage storage and collection.

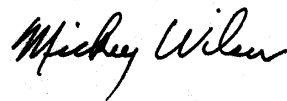
DESCRIPTION (continued)

The sale or lease of uninhabitable manufactured homes is prohibited, and uninhabitable homes must be removed from the manufactured home community.

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

Department of Economic Development–
Public Service Commission
Office of State Treasurer
Secretary of State
Department of Health and Senior Services
Jefferson County
St. Louis County
Hickory County



Mickey Wilson, CPA
Director
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