

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1093-01
Bill No.: HB 383
Subject: Utilities; Landlords and Tenants; Liability
Type: Original
Date: February 13, 2017

Bill Summary: This proposal prohibits a municipality or utility company from holding an owner of a premises liable for the occupant's delinquent utility payments.

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 5 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 at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the State Courts Administrator**, the **Department of Economic Development's Missouri Housing Development Commission**, **Office of the Public Counsel and Public Service Commission**, the **Office of the State Public Defender** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of St. Robert** currently have this proposal in place. The City has entered into contracts with owners who state they will be responsible for utilities. The City has entered into contracts with businesses or resident who don't have credit to open in their name.

In response to similar legislation from 2016, HB 1970, officials at the **Metropolitan St. Louis Sewer District** assumed the current proposal would not fiscally impact their organization.

In response to similar legislation from 2016, HB 1970, officials from the **City of Kansas City** assumed adoption of this proposal could potentially stop consideration of requiring all account holders to be the owners of property, as is done in several other cities. The collection of delinquent bills for non-owner occupied properties drive up to 90% of the costs of the water department's call center, field services, meter services, bad debt, cashiering, bank fees, revenue protection and billing. It is anticipated a possible rate decrease if only property owners could be account holders.

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

Officials at the following water and sewer districts: Cole County Public Water District 3, Cole County Public Water District #4, Franklin County Water District and the St. Charles County Public Water Supply District #2 did not respond to **Oversight's** request for fiscal impact.

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

FISCAL IMPACT - Small Business

This proposal may have a direct fiscal impact on small business landlords.

FISCAL DESCRIPTION

This bill prohibits a municipally owned utility from holding the leaser of a property liable for the occupant's delinquent payments.

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 the Attorney General
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Department of Economic Development
 Missouri Housing Development Commission
 Public Service Commission
 Office of the Public Counsel
City of St. Robert
Metropolitan St. Louis Sewer District
City of Kansas City



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February 13, 2017

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February 13, 2017