

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1780-02  
Bill No.: HCS for HB 848  
Subject: Landlords and Tenants  
Type: Original  
Date: April 12, 2017

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Bill Summary: This proposal would create specific requirements and procedures relating to a claim for breach of implied warranty of habitability by a tenant of rental property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 2018	FY 2019	FY 2020
<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 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

In response to a previous version, officials from the **Office of the Attorney General** assumed any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Office of State Courts Administrator** and the **Department of Insurance, Financial Institutions, and Professional Registration** assume this proposal would have no fiscal impact on their organizations.

**Oversight** assumes this proposal would have no fiscal impact to the state or to local governments.

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

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

### **FISCAL IMPACT - Small Business**

This proposal could have a direct fiscal impact to small businesses involved in operating residential rentals.

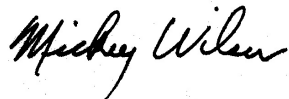
### FISCAL DESCRIPTION

This proposal would require a tenant who asserts the affirmative defense of breach of implied warranty of habitability as specified in the proposal, and who retains possession of the premises, to deposit any rent owed into a court depository. Any rent that would otherwise be due in accordance with the lease during the course of litigation and until otherwise ordered by the court would also be deposited with the court.

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 Attorney General  
Department of Insurance, Financial Institutions, and Professional Registration



Mickey Wilson, CPA  
Director  
April 12, 2017

Ross Strobe  
Assistant Director  
April 12, 2017