

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1252H.01I  
Bill No.: HB 511  
Subject: Motor Vehicles; Political Subdivisions  
Type: Original  
Date: March 29, 2021

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Bill Summary: This proposal prohibits the state and any political subdivision from regulating certain uses of private property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
<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 2022	FY 2023	FY 2024
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Federal Funds*</b>	<b>(Up to \$71,820,000)</b>	<b>(Up to \$71,820,000)</b>	<b>(Up to \$71,820,000)</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Up to \$71,820,000)</b>	<b>(Up to \$71,820,000)</b>	<b>(Up to \$71,820,000)</b>

\*Potential fiscal impact if Missouri is deemed out of federal compliance.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</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 \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Transportation (MoDOT)** assume this legislation could impact Missouri's control of junkyards under Section 136 Title 23 USC, 23 CFR Section 751, and Sections 226.650-226.720 RSMo causing MoDOT to be out of compliance with federal guidelines. Failure to provide effective control of junkyards could cause a 7% reduction of Federal-aid highway funds, which is estimated at \$71,820,000 annually.

2020 Federal Revenue = \$1,026,000,000

7% Penalty Reduction of Federal Aid Highway Funds Annually

$\$1,026,000,000 \times 7\% = \$71,820,000$  annually

In summary, MoDOT assumes a loss of up to \$71,820,000 in federal funds annually to provide for the implementation of the changes in this proposal.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MoDOT, ranged from \$0 (no federal penalty imposed on Missouri), to MoDOT's estimate.

Officials from the **City of Kansas City** assume the legislation would have a large impact on code enforcement in Kansas City. While the immediate impact may result in cost savings on enforcement, a hamstrung enforcement program could lead to various ancillary issues resulting in a negative fiscal impact to Kansas City (e.g. deteriorated property maintenance resulting in losses to property value).

Officials from the **City of Springfield** assume a negative fiscal impact from this bill in an unknown amount based on a decline in surrounding property values due to some types of uses which would be undesirable to many potential residents, which would result in lower property tax revenues.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the cities of Kansas City and Springfield.

Officials from the **Department of Commerce and Insurance**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety's Office of the Director** and **Missouri Highway Patrol** and the **Missouri Department of Conservation** each assume the proposal will have no fiscal impact

on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **City of Ballwin**, the **City of O’Fallon**, **St. Louis City** and the **Daviess County Sheriff’s Office** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and sheriff departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>FEDERAL FUNDS</b>			
<u>Loss</u> – MoDOT – out of compliance with federal guidelines relating to private property	<u>\$0 or (Up to \$71,820,000)</u>	<u>\$0 or (Up to \$71,820,000)</u>	<u>\$0 or (Up to \$71,820,000)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0 or (Up to \$71,820,000)</u></b>	<b><u>\$0 or (Up to \$71,820,000)</u></b>	<b><u>\$0 or (Up to \$71,820,000)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss</u> – potential loss in property tax values which would decrease tax revenues	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

FISCAL IMPACT – Small Business

There could be a positive unknown fiscal impact to small businesses such as junkyards as a result of this proposal. This proposal could restrict the highway commission of the state from acquiring lands or interests in lands (per §226.690) to provide adequate screening when it is in the best interest of the state.

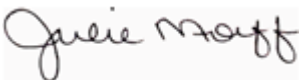
FISCAL DESCRIPTION

The proposed legislation prohibits the state and any political subdivision from regulating certain uses of private 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

Missouri Department of Transportation  
City of Kansas City  
City of Springfield  
Department of Commerce and Insurance  
Department of Natural Resources  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
Missouri Department of Conservation  
City of Ballwin  
City of O'Fallon  
St. Louis City  
Daviess County Sheriff's Office



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March 29, 2021



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