

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1536S.03A  
Bill No.: SS for HCS for HB Nos. 595 & 343 with SA 1 & SA 3  
Subject: Cities, Towns, and Villages; Contracts and Contractors; Counties; County Government; Landlords and Tenants; Political Subdivisions; Property, Real and Personal  
Type: Original  
Date: April 23, 2025

---

Bill Summary: This proposal modifies provisions relating to real estate transactions, including brokerage agreements with buyers and tenants and ordinances limiting actions of landlords and tenants.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<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 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

#### **§339.780 – Brokerage Services**

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their respective organization.

**Oversight** notes that the above mentioned agency has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

#### **§441.043 – Rental Property and Federal Housing Assistance Program**

Officials from the **Department of Mental Health (DMH)** assume the proposal modifies §441.043. It prohibits local government from requiring private property owners to accept federal housing assistance vouchers as payment for rent. The DMH has a few programs which offer rental assistance that are funded through federal sources. It is very challenging for DMH consumers to obtain rentals in the current market. If landlords in areas that protect “source of income” revert back to disallowing tenants because of subsidies, this could cause additional housing instability within the DMH service population which typically leads to poorer treatment outcomes and higher utilization of crisis services. This could also require funding of incentive programs to encourage landlords to give DMH service population the opportunity to rent in the private market. Those could include landlord mitigation funds or landlord incentive payments. DMH currently does not have any such funds and it would be challenging to predict how much would be necessary. The Division of Behavioral Health (DBH) assumes this will likely impact consumers seeking housing. It is unknown the level of impact to consumer or the potential increase in those consumers seeking crisis services. Fiscal impact to DBH is unknown.

**Oversight** notes the following on DMH’s website:

Federal Housing Subsidies (Section 8, etc.) for Low-Income Households

- **Public Housing Agencies** - Many cities and towns in Missouri have Public Housing Agencies (PHA's). These agencies administer federally funded low-income housing in their towns or counties; some also own their own affordable rental properties to rent to area residents who cannot afford the normal rents in the area. Most PHA's also administer the federal Housing Choice Voucher Program, commonly known as Section 8. If you

cannot find affordable housing on your own, or wish to apply for Section 8 housing, your local Public Housing Agency may be able to help. In some cases, your local Community Action Agency office will also be your Public Housing Agency.

**Oversight** assumes the state may be impacted from this proposal, however; Oversight assumes this would be more of an indirect impact for this proposal.

Officials from **Kansas City** assume this proposal may have a negative fiscal impact as it may increase homelessness that will increase the City's cost.

**Oversight** assumes local political subdivisions could be impacted from this proposal, however; Oversight assumes this would be more of an indirect impact for this proposal.

In response to a previous version, officials from the **Department of Economic Development**, the **Department of Labor and Industrial Relations** and the **City of O'Fallon** each assumed 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.

In response to similar legislation from 2024, Perfected HB 2385, officials from **Lincoln County** assumed the proposal will have no fiscal impact on their organization.

Senate Amendment 1 as amended - §441.043 – Rental Property and Federal Housing Assistance Program

**Oversight** assumes this amendment will not allow landlords to discriminate against a tenant or prospective tenant because such tenant is a recipient of veterans' benefits. Oversight assumes this amendment will have no fiscal impact on this proposal.

Senate Amendment 3 as amended - §441.043 – Rental Property and Federal Housing Assistance Program

**Oversight** assumes this amendment addresses technical changes within §441.043 and the provisions of this amendment shall not apply to those areas of Kansas City that are in Cass and Platte Counties. Oversight assumes this amendment will have no fiscal impact on this proposal.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses who operate rental properties and brokerage services could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This act modifies provisions relating to real estate transactions, including brokerage agreements with buyers and tenants and ordinances limiting the actions of landlords and tenants.

BROKERAGE AGREEMENTS FOR BUYERS AND TENANTS (SECTION 339.780)

This act provides that a designated real estate broker acting as a single agent for a buyer or tenant shall enter into a written agency agreement before, rather than either before or while, engaging in brokerage acts.

ORDINANCES LIMITING ACTIONS OF LANDLORDS AND TENANTS (SECTION 441.043)

This act provides that no county or city shall enact, maintain, or enforce any ordinance or resolution that:

- (1) Prohibits landlords from refusing to lease or rent a privately-owned, single family or multiple-unit residential or commercial rental property to a person because his or her lawful source of income includes a federal or other housing assistance program funding;
- (2) Restricts landlords ability to use or consider income-qualifying methods, credit scores, credit reports, eviction or property damage history, or criminal history, or requesting such information to determine whether to rent or lease a property to a prospective tenant;
- (3) Limits the amount of money for a security deposit; or
- (4) Requires tenants to automatically receive the right of first refusal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 1536S.03A


Bill No. SS for HCS for HB Nos. 595 & 343 with SA 1 & SA 3

Page 6 of 6

April 23, 2025

SOURCES OF INFORMATION

Department of Commerce and Insurance  
Department of Mental Health  
Department of Economic Development  
Department of Labor and Industrial Relations  
Kansas City  
O'Fallon  
Lincoln County



Julie Morff  
Director  
April 23, 2025



Jessica Harris  
Assistant Director  
April 23, 2025