

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2666H.011
Bill No.: HB 1316
Subject: Political Subdivisions; Cities, Towns, and Villages; Counties; Housing; Property,
Real and Personal; Landlords and Tenants
Type: Original
Date: February 24, 2025

Bill Summary: This proposal prohibits political subdivisions from requiring registration of residential property used for rental purposes.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

- 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.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Local Government* | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |

*Loss in revenues if property owners are no longer required to register their property.

FISCAL ANALYSIS

ASSUMPTION

§67.221 – Residential Property Registration

Officials from the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Natural Resources**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **Office of the Secretary of State**, the **State Tax Commission** and **Kansas City** 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 notes Kansas City requires that the property owner must register each year, but there is no fee for registering unless it is filed late, then there is a late penalty between \$50 & \$100. Independence charges a \$50 license fee and has the landlord fill out a license application.

Oversight assumes those local political subdivisions (LPSs) who require an owner of a residential property to license, register or obtain a certification to rent could lose income if a fee is charged by the LPSs. Oversight is unaware of how many LPSs currently have this ordinance and/or rule in place and how much the LPS is charging. Therefore, for fiscal note purposes, Oversight will reflect a \$0 or unknown loss of revenue by LPSs.

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 |
|---|-----------------------------|-----------------------------|-----------------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Loss – Cities and Counties – in revenues for those LPS who currently charge a registration fee to owners of residential properties for rental purposes §67.221</u> | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> |

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill prohibits a political subdivision from requiring the owner of residential property that is offered for rent to license, register, or obtain certification for the property at any time or for any reason. This does not apply to commercial property.

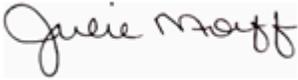
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
 Department of Economic Development
 Department of Natural Resources
 Missouri Department of Agriculture
 Missouri Department of Transportation

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Office of the Secretary of State
State Tax Commission
Kansas City

A handwritten signature in cursive script that reads "Julie Morff". The signature is written in black ink on a light-colored background.

Julie Morff
Director
February 24, 2025

A handwritten signature in cursive script that reads "Jessica Harris". The signature is written in black ink on a light-colored background.

Jessica Harris
Assistant Director
February 24, 2025