

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2666H.02C
Bill No.: HCS for HB 1316
Subject: Political Subdivisions; Cities, Towns, and Villages; Counties; Housing; Property,
Real and Personal; Landlords and Tenants
Type: Original
Date: March 17, 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* | (Unknown, could exceed \$275,000) | (Unknown, could exceed \$275,000) | (Unknown, could exceed \$275,000) |

*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 Revenue, 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** and the **State Tax Commission** 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 **Kansas City** assume a negative fiscal impact of \$275,000 annually. This estimated amount is all business license fees as prescribed in Chapter 40.

Oversight notes the **Kansas City Health Department (KCHD)** provided public testimony on 2/25/25 to the Government Efficiency Committee. In their testimony, Oversight notes a \$21 annual fee is required of landlords through their rental registration process to sustain a program called Healthy Homes. This program was inceptioned in 2018 and has conducted over 10,000 inspections and has cited more than 28,000 violations for health hazards.

Oversight assumes those local political subdivisions (LPS) 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 LPS. Oversight is unaware of how many LPS currently have this ordinance and/or rule in place and how much the LPS is charging.

Oversight does not have information to the contrary with Kansas City's response and assumes that other LPS could have similar fees. Therefore, for fiscal note purposes, Oversight will reflect an unknown loss of revenues to LPS that could exceed \$275,000.

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</u> – 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>(Unknown, could exceed \$275,000)</u> | <u>(Unknown, could exceed \$275,000)</u> | <u>(Unknown, could exceed \$275,000)</u> |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | <u>(Unknown, could exceed \$275,000)</u> | <u>(Unknown, could exceed \$275,000)</u> | <u>(Unknown, could exceed \$275,000)</u> |

FISCAL IMPACT – Small Business

Small businesses such as landlords who rent residential property could see a savings impact by this proposal.

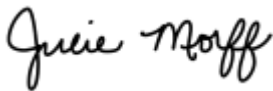
FISCAL DESCRIPTION

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 or property rented for less than 30 days.

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
Office of the Secretary of State
State Tax Commission
Kansas City
Kansas City Health Department



Julie Morff
Director
March 17, 2025



Jessica Harris
Assistant Director
March 17, 2025