

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4520H.02C
Bill No.: HCS for HB 1791
Subject: Political Subdivisions; Construction and Building Codes; Counties; Cities, Towns,
and Villages; Fees
Type: Original
Date: February 16, 2026

Bill Summary: This proposal establishes building permit issuance deadlines.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§67.492 – Building Permit Applications

Officials from the **City of Kansas City (KC)** assume the proposed legislation will have a negative fiscal impact of an indeterminate amount.

In response to a similar proposal, HB 1256 (2025), officials from **KC** assumed the proposed legislation would have a negative fiscal impact as it would require **KC** to add additional staff.

Oversight received a limited number of responses from cities and counties related to the fiscal impact of this proposal. Oversight notes **KC** indicates this proposal would have an unknown negative impact; however, Oversight is unable to project a statewide cost. Oversight also notes that §67.492.6 states if local political subdivisions (LPS) fail to meet the deadlines under this section, building permit fees will be reduced by the LPS between 10 to 20% each day the LPS fails to meet a deadline. Oversight assumes other cities and counties could also have an unknown cost from the provisions of this proposal. Therefore, Oversight will show the impact to local governments-political subdivisions as a \$0 or unknown cost.

Officials from the **Department of Economic Development** and the **Office of Administration** 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 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 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss – Cities and Counties</u> (§67.492) potential permit fee reduction p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – Cities and Counties</u> (§67.492) additional staff p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL IMPACT – Small Business

Certain small businesses that apply for a building permit through their local political subdivision could be impacted by this proposal.

FISCAL DESCRIPTION

This bill requires a political subdivision to grant a building permit within a certain number of days, depending on the type of construction, as specified in the bill.

After an applicant submits an application to a political subdivision, the political subdivision must notify the applicant in writing of any missing information within five business days. If the political subdivision does not provide a timely written notice that the applicant has not submitted a properly completed application, the application will be automatically deemed completed and accepted.

A political subdivision must maintain on the political subdivision's website, a policy for building permits required by law to be expedited. If a political subdivision fails to meet a deadline established by this bill, the building permit fee will be reduced by 10% for each business day that the political subdivision fails to meet the deadline, unless the delay is caused by or agreed to in writing by the applicant.

A political subdivision must provide written notice to an applicant stating the specific reasons a permit fails to satisfy state law or local ordinances. The notice will state that the applicant has 10 business days to submit revisions to correct the permit application, and that failure to correct the application within that time will result in a denial of the application. If the applicant submits revisions within 10 days, the political subdivision will have 10 business days to approve or deny

the permit. If the political subdivision fails to respond within the 10 days, the building permit fee will be reduced by 20% each business day that the political subdivision fails to meet the deadline, unless the delay is caused by or agreed to in writing by the applicant.

The bill also exempts a contractor rebuilding in an area that has been destroyed by a natural disaster resulting in the Governor proclaiming a state of emergency for that area from any permit requirement. This will not, however, be construed to exempt the construction from any other existing state law or local ordinance related to safety requirements for construction.

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

City of Kansas City
Department of Economic Development
Office of Administration



Julie Morff
Director
February 16, 2026



Jessica Harris
Assistant Director
February 16, 2026