COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5770H.03C
Bill No.: HCS for HB 2384
Subject: Political Subdivisions; Cities, Towns, and Villages; Housing; Construction and Building Codes
Type: Original
Date: February 5, 2026

Bill Summary: This proposal creates provisions restricting political subdivisions from imposing requirements that threaten affordability of developments or improvements of property.

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 Other 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 All 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

§§67.280 and 67.486 – Building Design and Applications for Property Development

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

Officials from the **Department of Economic Development**, **Department of Labor and Industrial Relations**, **Office of Administration** and the **City of O'Fallon** 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 local political subdivisions (LPS) may need to increase their staffing levels in order to meet the provisions of this proposal if enacted. Oversight is unsure of the number of applications each local LPS receives each year that are approved or denied and how long that process takes with each LPS. With the increase timeline within this proposal, Oversight assumes there could be an increased cost to LPS. Therefore, Oversight will reflect a $0 or unknown cost for an increase in staff hours needed to approve or deny applications.

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

FISCAL IMPACT – State Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
	$0	**$0**	**$0**

FISCAL IMPACT – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
Cost – Cities and Counties (§67.486) Potential increase in staffing hours to process applications to meet deadlines 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

Small business contractors who use green or excessive building design and construction practices in their construction, repair or renovations may be impacted from this proposal.

FISCAL DESCRIPTION

This bill prohibits any county or municipality from enacting or maintaining any ordinance, regulation, or other policy that requires an owner, builder, or developer to implement green or otherwise excessive building design and construction practices for one- or two-family dwellings, condominiums, multiunit townhouses, multiunit apartment buildings, or commercial or industrial buildings, with the intent to improve sustainability, energy efficiency, high-performance energy standards, environmental responsiveness and other standards specified in the bill, that threaten the affordability of the construction, maintenance, repair or renovation.

The bill prohibits any county or municipality from enacting or maintaining any ordinance, regulation, or other policy that prohibits a building of less than six stories with a Group R-2 occupancy, or its equivalent, under certain conditions described in the bill.

This bill requires a political subdivision to approve or deny an application for a permit, license, variance, or any other kind of prior approval related to construction within 30 calendar days. If no response is received by the applicant within 30 days, the request will be deemed approved and the applicant authorized to proceed with construction.

If the request is approved, the political subdivision cannot later impose additional requirements on the applicant related to the request.

If the request is denied, the political subdivision must state the reason for denial in writing to the applicant. Details that are required to be included in the written denial are provided in the bill.

A request can also be denied as incomplete. In this instance the political subdivision must also state in writing why the request is incomplete, with required details described in the bill. A political subdivision will have twenty days to deny a request as incomplete.

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
Department of Labor and Industrial Relations
Office of Administration
City of O'Fallon

Julie Morff
Director

Jessica Harris
Assistant Director
February 5, 2026

NM:LR:OD