

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5770H.03P  
 Bill No.: Perfected HCS for HB 2384  
 Subject: Political Subdivisions; Cities, Towns, and Villages; Housing; Construction and Building Codes  
 Type: Original  
 Date: February 12, 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
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

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

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

Officials from the **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.

#### House Amendment 1 - §71.948 – Municipal Codes

In response to similar legislation, HB 802 (2025), officials from the **City of O’Fallon** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

#### Responses regarding the proposed legislation as a whole

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** and the **Office of the Secretary of State** 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 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost – Cities and Counties (\$67.486)</u> Potential increase in staffing hours to process applications to meet deadlines p.3	\$0 or <b><u>(Unknown)</u></b>	\$0 or <b><u>(Unknown)</u></b>	\$0 or <b><u>(Unknown)</u></b>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

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  
Office of the Secretary of State  
City of O'Fallon



Julie Morff  
Director  
February 12, 2026



Jessica Harris  
Assistant Director  
February 12, 2026