

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5770S.05C
 Bill No.: SCS for HCS for HB 2384
 Subject: Cities, Towns, and Villages; Construction and Building Codes; Counties; Housing; Political Subdivisions
 Type: Original
 Date: April 29, 2026

Bill Summary: This proposal modifies provisions relating to construction and property development.

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

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

In response to a previous version, 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.

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.

§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

In response to a previous version, officials from the **City of Kansas City** assumed 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 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 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.

Rule Promulgation

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<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>Cost – Cities and Counties (\$67.486)</u> 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	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

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 act provides that no county or municipality shall mandate that an owner, builder, or developer comply with energy efficiency or other energy related standards or requirements that exceed standards defined in the 2012 International Residential Code (IRC) or the 2012 International Energy Conservation Code.

If an applicant submits an application for a permit, license, variance, or any other kind of prior approval for an action related to the construction of a new building or the repair or renovation of any existing building to a political subdivision, the political subdivision has thirty calendar days to approve or deny such application. If the applicant receives no response within thirty calendar days the request is deemed approved and the applicant can proceed with construction.

If the political subdivision denies a request, the reason for denial must be stated in writing to the applicant. If the denial is on the basis of work that is stamped by a certified design professional, the written denial shall include a detailed description of why the work is so inferior or insufficient that the request cannot be approved. If the request is denied on the basis of a violation of a code provision, the written denial must include a citation to the code provision that has been violated.

Under this provision, if a political subdivision finds that an application fails to contain all required information, such application may be denied. If an application is denied due to incompleteness, the political subdivision shall state in writing that reasons why the application was incomplete.

If an applicant resubmits a request after receiving a written denial, the political subdivision shall not issue a subsequent denial that includes additional unrelated reasons for denial that were not specified and not included in the denial of the initial request.

Under current law, a municipality must have at least three copies of their published ordinances on file in the office of the municipal clerk and such copies shall be available for inspection by the public at all reasonable business hours.

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
April 29, 2026



Jessica Harris
Assistant Director
April 29, 2026