

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 7507H.02C  
 Bill No.: HCS for HB 3490  
 Subject: Historic Preservation; Kansas City  
 Type: Original  
 Date: April 7, 2026

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Bill Summary: This proposal modifies provisions for local historic preservation.

**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
Historic Preservation Revolving Fund (1430)*	\$0 to (\$1,300,000)	\$0 to (\$1,300,000)	\$0 to (\$1,300,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (\$1,300,000)</b>	<b>\$0 to (\$1,300,000)</b>	<b>\$0 to (\$1,300,000)</b>

\*Oversight notes there could be a potential loss of federal funding from this proposal.  
 Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

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

\*Oversight notes there could be a potential unknown loss of federal funding from this proposal.

**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

#### §253.415 – Local Historic Preservation

Officials from the **Department of Natural Resources (DNR)** state this legislation is federally mandated under the National Historic Preservation Act of 1966, 54 U.S.C. §302902 (formerly codified at 16 U.S.C. §470). DNR states the language in §253.415.3 indicates that a local historic preservation commission or other governing body does not have the power to designate any property or any building of any public or private university or college as historic or have the power to subject any such building or property to historic preservation requirements or regulations. This section also indicates that public or private colleges and universities may observe local historical preservation regulations at the discretion of their respective governing bodies.

This language is in conflict with the National Historic Preservation Act (NHPA), which was amended to establish the Certified Local Government (CLG) program. In order to be a CLG, a local government must meet several requirements, including enactment of an historic preservation ordinance that establishes procedures and standards for designating historic districts and individual landmarks. This bill impedes a CLG from meeting its mandated responsibilities, thus potentially obstructing Missouri from participating in the federal CLG program. This in turn could potentially impact grant funding that the State Historic Preservation Office (SHPO) receives from the federal Historic Preservation Fund (HPF). The National Park Service (NPS) may require the SHPO to decertify all of the affected CLGs, which could put the HPF funding in jeopardy since the SHPO must perform in all nine HPF program areas in order to receive funding. Thirty-eight (38) CLGs have public or private universities and colleges. If SHPO were to decertify these 38 CLGs, then SHPO would not be able to meet its federally-mandated 10% HPF pass-through requirement as these CLGs are the bulk of the HPF subgrant applicants.

#### Fiscal impact:

Loss of between \$250,000 to unknown potentially significant, potentially around \$1.3 million annually.

**Oversight** inquired DNR regarding the difference in their response to this version of the bill and the no impact response on the previous version. DNR states on the initial version of the bill, their response was based on the understanding that the impact would only be local to Kansas City. The Missouri Constitution prohibits local/special laws and as a result there would be no impact. Regarding the updated version, when the statute applies to the entire state, it has the potential to affect over 30 different CLGs which affects SHPO's ability to assign 10% of grant funds to CLGs, which in turn may cause NPS to decide the Missouri SHPO is not fulfilling its duties to receive federal funding.

**Oversight** notes in its inquiry to DNR that the range of \$250,000 to \$1,300,000 is how much DNR has received in past federal funding.

Oversight further inquired DNR regarding college and university funding from DNR. DNR states the statute could prevent a historic building on a campus from being nominated for the National Register (NR). Properties that are on the NR qualify for tax credits for restoration projects. It is an indirect effect, but specific buildings could lose out on tax credit opportunities if they are excluded from the NR by state statute.

Oversight does not have information to the contrary and therefore, Oversight will reflect an unknown loss to the Historic Preservation Revolving Fund and Federal Funds up to \$1,300,000 annually for this proposal. Oversight will also reflect a potential \$0 or unknown loss of funding to local political subdivisions who are CLG certified from this proposal.

Officials from the **City of Springfield, University of Central Missouri, Northwest Missouri State University** and the **City of Kansas City** 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, counties, colleges and universities were requested to respond to this proposed legislation but did not. Upon the 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>HISTORIC PRESERVATION REVOLVING FUND (1430)</b>			
<u>Loss</u> – DNR (§253.415.3) Potential loss of federal funds from the provisions in this proposal p.3-4	\$0 to <u>(\$1,300,000)</u>	\$0 to <u>(\$1,300,000)</u>	\$0 to <u>(\$1,300,000)</u>
<b>ESTIMATED NET EFFECT ON HISTORIC PRESERVATION REVOLVING FUND</b>	<b>\$0 to <u>(\$1,300,000)</u></b>	<b>\$0 to <u>(\$1,300,000)</u></b>	<b>\$0 to <u>(\$1,300,000)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Loss</u> – DNR (§253.415.3) Potential loss of federal funds from the provisions in this proposal p.3-4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss</u> – Cities & Counties (§253.415.3) Potential loss of funding from the provisions in this proposal p.3-4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, each city, town, and village, and each county, regardless of classification, has the authority to create a historic preservation commission, and to grant the commission certain powers and authorities.

This bill provides that any property or any building of any public or private college or university has the option to opt in or opt out to the city's historic preservation commission's requirements related to historic preservation. The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

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 Natural Resources  
City of Springfield  
University of Central Missouri  
Northwest Missouri State University  
City of Kansas City



Julie Morff  
Director  
April 7, 2026



Jessica Harris  
Assistant Director  
April 7, 2026