

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1191-07
Bill No.: HCS for SCS for SB 203
Subject: Political Subdivisions; Property, Real and Personal; Courts; and Civil Penalties
Type: Original
Date: May 7, 2019

Bill Summary: This proposal changes the law regarding certain property regulations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§82.1025, 82.1027, 82.1030 & 82.1031 - Nuisance actions in certain cities and counties

Officials at the **City of Kansas City** assume this legislation could have a negative fiscal impact on the City of Kansas City, Missouri, because although the legislation includes a section limiting its provisions to private property, Kansas City is concerned that an argument could be made that Kansas City's Land Bank/Homestead Authority property is private property and could then be sued pursuant to this legislation. Kansas City's concerns with this legislation would be alleviated if language were added to the Nuisance definition in 82.1027 (3) creating an exception for cities by stating: "...an activity or condition created, performed, maintained, or permitted to exist on private property not owned by the government or municipal entity that constitutes a code or ordinance violation, whether or not the property has been cited by the city or county in which the property is located".

Oversight will reflect the City of Kansas City's assumption for this proposal and show possible costs to local governments of \$0 (no suits brought or Homestead Authorities may not be sued) to an unknown cost if Homestead Authorities are sued successfully.

In response to a previous version, officials at the **Office of the State Courts Administrator** assumed no fiscal impact to their organization from this proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to a previous version, officials at **St. Louis County** assumed no fiscal impact from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, St. Louis City was requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§88.770 - Modifies provisions for the sale of municipally owned utilities

In response to similar legislation from this year, HB 909, officials at the **Office of the Secretary of State** assumed no fiscal impact to their agency from this proposal.

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for the Office of the Secretary of State.

Oversight assumes the proposed legislation modifies provisions for the sale of municipally owned utilities. Oversight assumes a sale of a municipally-owned utility would likely occur infrequently and would have a limited fiscal impact on municipalities.

Oversight also notes per §88.770.1 the board of aldermen may seek an appraisal before the sale of a water or wastewater system or gas plant before voters, and per §88.770.5, the board of aldermen may make a good-faith effort to notify each property owner of the city and each ratepayer of a water or wastewater system or a gas plant of the proposal to dispose of the water or wastewater system or a gas plant, by sale through radio, television, newspaper, regular mail, electronic mail, or any combination of such notification methods. Oversight assumes that such appraisal and/or notice of the sale could result in additional costs to the city. Therefore, Oversight will reflect a \$0 (no sale of a utility) or unknown cost (cost of appraisal because of potential sale of utility) for this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, water and wastewater districts were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§393.320 - Acquisition of small water utilities;

Officials from the **Department of Economic Development - Public Service Commission** assume the proposal would not have a fiscal impact on their agency.

Section 1

Oversight assumes this section of the proposal allows the engineer who sealed the ultimate submission of plans for a building permit to conduct the inspection in accordance with the procedures for such inspections established by the political subdivision. Oversight assumes this is a procedural change and would not have direct fiscal impact to local political subdivisions.

ASSUMPTION (continued)

Bill as a Whole

Officials at the **Department of Natural Resources**, the **Department of Economic Development - Public Service Commission**, the **Office of the State Public Defender** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Oversight inquired the Department of Economic Development's Public Service Commission (PSC) regarding information on appraisals with the sale of public utilities. The PSC doesn't get involved with the net worth of a municipal utility but only with the amounts that are charged to the customer. PSC does not regulate the sale on municipally owned utilities.

Officials at the **City of Columbia** assume little to no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2020 (10 Mo.)	 FY 2021	 FY 2022
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - potential litigation cost to private property that is owned by a governmental or municipal entity (§§82.1025, 82.1027, 82.1030 & 82.1031)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - appraisal for and/or notification by mail of potential sale of municipal utility (§88.770)	\$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

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

FISCAL DESCRIPTION

This proposal changes the law regarding certain property regulations.

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

Office of the State Courts Administrator
Department of Natural Resources
Office of the State Public Defender
Office of Prosecution Services
Department of Economic Development
Office of the Secretary of State
St. Louis County
City of Kansas City
City of Columbia



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May 7, 2019

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