

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2564S.02I
Bill No.: SB 743
Subject: Boards, Commissions, Committees, and Councils; Construction and Building
Codes; Fire Protection; Political Subdivisions; Public Safety, Department Of
Type: Original
Date: April 23, 2025

Bill Summary: This proposal establishes the "Missouri Building Codes Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(Unknown, could exceed \$392,911)	(Unknown, could exceed \$425,614)	(Unknown, could exceed \$429,494)
Total Estimated Net Effect on General Revenue	(Unknown, could exceed \$392,911)	(Unknown, could exceed \$425,614)	(Unknown, could exceed \$429,494)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Missouri Building Code Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Appropriations from General Assembly and Income less distribution nets to zero.
Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

☒ 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 2026	FY 2027	FY 2028
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§8.363, 67.280 & 67.283 – Missouri Building Codes Act

Officials from the **Department of Public Safety - Fire Safety (DFS)** estimate the need for 2 FTE, one building codes manager and one clerical staff. DFS will also be responsible for the reimbursement of expenses to 9 commission members equal to the amount of a member of the general assembly. DFS estimates additional funding needs of nearly \$200,000 in the first year.

Oversight inquired DFS regarding on-going costs for FYs 27 & 28. DFS assumes on-going costs would be \$197,500 annually starting in FY 27.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DFS.

Officials from the **Department of Public Safety - Office of the Director (DO)** state that DO provides legal advisement to the Fire Marshall and DFS. DO believes that the Commission will require 1 FTE (Legal Council) and .5 FTE (Paralegal).

Oversight assumes DO is provided with core funding to handle a certain amount of activity each year. Oversight assumes DO could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DO could request funding through the appropriation process.

Officials from **Kansas City** state the proposed legislation has a negative fiscal impact of an indeterminate amount. The City would be required to collect permitting fees for the state, and purchase of additional resource books which are expensive. In addition, if the city were required to have city inspectors become state certified inspectors this would increase the City's costs.

Based on the information provided by Kansas City, **Oversight** will show a cost to local political subdivisions. However, Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. 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.

Officials from the **Kansas City Election Board** assume a \$800,000 cost to conduct an election in the Kansas City portion of Jackson County. The State would be responsible for it's pro-rata share based on voter registration.

Oversight assumes the timing for an election to authorize the provisions within this proposal would take place during a regular election cycle (April or November) to streamline any election costs that would be impacted. Therefore, Oversight will assume no direct fiscal impact from this proposal.

Oversight notes §67.280.8 allows the building code commission to establish a schedule of fees to charge for the issuance and renewal of any construction permits, occupancy permits, or reoccupancy permits issued by any agency or political subdivision (LPS) of this State. Therefore, Oversight will reflect a \$0 to unknown revenue gain to the Missouri Building Code Fund from this proposal.

Oversight notes the Residential Reoccupancy Inspections Committee may be created from §67.283.2 of the Missouri building codes commission to create standardized residential reoccupancy inspection checklists. Members shall not receive compensation for services rendered but may be reimbursed for actual and necessary expenses in an amount equal to the per diem of a member of the general assembly. Oversight is unclear of the amount of the reimbursement and therefore, will reflect a \$0 to unknown cost to GR for this section of the proposal.

Officials from the **Office of the Governor** state this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

Officials from the **Department of Commerce and Insurance, the Department of Economic Development, the Department of Labor and Industrial Relations, the Missouri Department of Agriculture, the Office of Administration, the Office of the State Treasurer, the Jackson County Election Board, the Platte County Board of Elections, the St. Louis City Board of Elections, the St. Louis County Board of Elections, the Joint Committee on Administrative Rules and the Missouri Senate** 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.

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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs – DFS §67.280.7</u>			
Personnel Service	(\$108,465)	(\$132,761)	(\$135,416)
Fringe Benefits	(\$69,793)	(\$84,795)	(\$85,859)
Expense & Equipment	(\$14,653)	(\$8,058)	(\$8,219)
Total Costs – DFS	(\$192,911)	(\$225,614)	(\$229,494)
FTE Change	2 FTE	2 FTE	2 FTE
<u>Costs – DFS - §67.280.7 – reimbursement of expenses from the Missouri Building Codes Commission</u>	(\$200,000)	(\$197,500)	(\$197,500)
<u>Transfer out - §67.280.9 to Missouri Building Codes Fund</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown, could exceed \$392,911)	(Unknown, could exceed \$425,614)	(Unknown, could exceed \$429,494)
Estimated Net FTE Change on General Revenue	2 FTE	2 FTE	2 FTE
MISSOURI BUILDING CODES FUND			
<u>Transfer in – from GR to Missouri Building Codes Fund §67.280.9</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income – grants and permit fees from LPS and other agencies §67.280.8 and .9</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost - §67.283.2 – potential reimbursement of expenses from the Residential Reoccupancy Inspections Committee to committee members</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Transfer out – Distribution of funds as outlined in §67.280.10</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE MISSOURI BUILDING CODES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs – to implement the “Missouri Building Codes Act” §67.280</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>

FISCAL IMPACT – Small Business

Small businesses may be impacted from the provisions of this proposal.

FISCAL DESCRIPTION

This act establishes the "Missouri Building Codes Act".

New facilities constructed for the state shall comply with standards established under the act, and a state agency requiring building inspections shall comply with the same standards of inspection required under the act.

The act specifies provisions for political subdivisions adopting existing building codes by reference, and enacting local amendments to the state code, as provided in the act.

There is established within the Division of Fire Safety within the Department of Public Safety the "Missouri Building Codes Commission", with membership and duties as laid out in the act, including the establishment of advisory committees. The Commission shall establish a schedule of fees for the issuance and renewal of certain permits, and shall charge an additional fee, to be collected by political subdivisions for the permits. The act establishes a fund into which the state

fees, any grants, and appropriations by the General Assembly shall be deposited for uses specified in the act.

Missouri building codes other than the fire code shall be administered by the State Codes Manager, and the state fire code shall be administered by the State Fire Marshal. The Missouri Building Codes Commission shall hold public hearings as part of adopting or amending codes in the manner described in the act.

The act further describes enforcement authority of the State Codes Manager, State Fire Marshal, and authorities having jurisdiction as such term is defined in the act. Agricultural buildings shall be exempt from building codes adopted under the act.

Lastly, the act provides that a jurisdiction adopting the Missouri Building Codes and also requires residential reoccupancy inspections when there is a change in ownership, tenants, or occupants shall use a residential reoccupancy checklist established under the guidance of the Missouri Building Codes Commission as provided in the act.

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 Public Safety

Fire Safety

Office of the Director

Kansas City

Department of Commerce and Insurance

Department of Economic Development

Department of Labor and Industrial Relations

Missouri Department of Agriculture

Office of Administration

Office of the State Treasurer

Jackson County Election Board

Kansas City Election Board

Platte County Board of Elections

St. Louis City Board of Elections

St. Louis County Board of Elections

Joint Committee on Administrative Rules

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April 23, 2025

Missouri Senate

Office of the Secretary of State

Office of the Governor

A handwritten signature in black ink that reads "Julie Morff". The signature is written in a cursive, flowing style.

Julie Morff

Director

April 23, 2025

A handwritten signature in black ink that reads "Jessica Harris". The signature is written in a cursive, flowing style.

Jessica Harris

Assistant Director

April 23, 2025