

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1830-01
Bill No.: HB 817
Subject: Health Department; Motels and Hotels
Type: Original
Date: March 4, 2015

Bill Summary: This proposal transfers the authority to inspect hotels from the Department of Health and Senior Services to local health departments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Columbia/Boone County Department of Public Health and Human Services (DPHHS)** state the proposal provides no source of revenue to the local public health agencies (LPHAs) to reimburse them for the costs associated with conducting the inspections. There are 44 lodging facilities in Boone County. Based on 2014 data, the DPHHS estimates one annual inspection at each facility and 20 complaint-driven inspections for a total of 64 inspections. In 2014, the personnel associated costs to conduct these inspections was \$6,054. Average mileage associated with an inspection would be approximately 8 miles. The DPHHS currently reimbursed 56 cents per mile; therefore, total mileage costs would be \$286.72 (64 inspections X 8 miles per inspection X \$0.56 per mile). Thus total costs for this proposal to the DPHHS would be \$6,341 (\$6,054 personal service costs + \$287 mileage costs).

Officials from the **City of Independence Health Department (City HD)** state the City HD currently has its own lodging ordinance. Lodging facilities are inspected two times per year, once for the state and once under the local ordinance. The City HD currently charges \$150 for a local permit fee. This proposal conflicts with the City ordinance and would result in the removal of the local ordinance. This would result in a loss of revenue of \$3,750 (25 permits X \$150) per year.

Officials from the **Taney County Health Department (Taney Co. HD)** state they currently conduct 160 lodging inspections and an average of 70 complaints annually. The Branson area relies heavily on the lodging industry and conducting lodging inspections is a priority for the Taney Co. HD., however, local health departments need to be able to charge fees to cover the expenses of the inspection services.

At the present time, the Department of Health and Senior Services works with local prosecutors to enforce the provisions of the statute. The Taney Co. HD does not have the resources to implement enforcement of this proposal and bring facilities into compliance without some process for funding this activity.

Oversight notes the Taney County Health Department did not provide a statement of fiscal impact with their response.

Officials from the **Marion County Health Department (HD)** state the County already has a lodging ordinance and fees are set for the inspections the HD completes.

Oversight notes the Marion County HD did not provide an estimated of the potential fiscal impact this proposal may have on their organization.

ASSUMPTION (continued)

Oversight assumes an unknown loss of revenue and unknown costs for local public health agencies (LPHAs) as it relates to this proposal. It appears that some localities have ordinances are in place to charge the hotels for permits or inspections and this income will no longer be collectable if the ordinance conflicts with provisions of this proposal. In other areas, LPHAs do not collect permit or inspection fees, but may incur additional costs as a result of being required to inspect hotels and motels.

Officials from the **Department of Health and Senior Services** and the **Harrison County Public Health Department & Hospice** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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LOCAL GOVERNMENTS - LOCAL PUBLIC HEALTH AGENCIES

Costs - LPHAs

Increase in costs to perform inspections	(Unknown)	(Unknown)	(Unknown)
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Losses - LPHAs

Reduction in hotel license and inspection fees	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - LOCAL PUBLIC HEALTH AGENCIES

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal could have a minor positive impact on small business hotels and motels if they are not subject to local permit and inspection fees.

FISCAL DESCRIPTION

This proposal transfers the authority to conduct inspections of hotels, inns and boardinghouses from the Department of Health and Senior Services to local public health departments.

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 Health and Senior Services
Columbia/Boone County Department of Public
Health and Human Services
Harrison County Public Health Department & Hospice
City of Independence Health Department
Marion County Health Department
Taney County Health Department



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