

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5048-01
Bill No.: HB 1970
Subject: Utilities; Landlords and Tenants; Liability
Type: Original
Date: January 19, 2016

Bill Summary: This proposal prohibits a municipality or utility company from holding an owner of a premises liable for the occupant's delinquent utility payments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Metropolitan St. Louis Sewer District** assume the current proposal would not fiscally impact their organization.

Officials from the **Department of Economic Development - Missouri Housing Development Commission**, the **Department of Economic Development - Public Service Commission**, the **Department of Economic Development - Office of the Public Counsel**, and the **Office of the State Courts Administrator** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **City of Kansas City** assume adoption of this proposal could potentially stop consideration of requiring all account holders to be the owners of property, as is done in several other cities. The collection of delinquent bills for non-owner occupied properties drive up to 90% of the costs of the water department's call center, field services, meter services, bad debt, cashiering, bank fees, revenue protection and billing. It is anticipated a possible rate decrease if only property owners could be account holders.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may have a direct fiscal impact on utility companies.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Attorney General's Office
Department of Economic Development
City of Kansas City
Metropolitan St. Louis Sewer District



Mickey Wilson, CPA
Director
January 19, 2016

Ross Strobe
Assistant Director
January 19, 2016