

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2976-01  
Bill No.: HB 1376  
Subject: Economic Development; Housing; Property, Real and Personal.  
Type: Original  
Date: February 1, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Missouri Housing Development Commission (MHDC)** state this bill changes the procedures for owners of properties that constitute a public nuisance in Jackson County and Kansas City. It allows owners to regain possession of their property after a non-profit organization has gained temporary possession of the property for the purpose of rehabilitation. This legislation states that a court will determine whether to restore possession to the owner and the proper compensation due to the non-profit organization. The court does not have to restore possession to the owner, if it finds that he does not have the capacity or resources to complete the rehabilitation.

MHDC assumes this proposal will not fiscally impact their agency.

Officials from the **Office of the State Courts Administrator** assume this proposal would not fiscally impact their agency.

Officials from **Kansas City** did not respond to our request for fiscal impact.

**Oversight** assumes this proposal will not fiscally impact state agencies or local governments in the Kansas City area.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may fiscally impact small businesses that rehabilitate abandoned property in the Kansas City area.

### DESCRIPTION

Current law requires that several conditions be met in order for an organization to petition the court for temporary possession of abandoned property. One of these requirements is that the organization must intend to rehabilitate the property and use it for low- or moderate-income housing. The proposal eliminates the requirement that the property being rehabilitated be used as low or moderate-income housing and does not require any particular use for the property.

Under current law, title to the property is conveyed to the organization one year following the entry of the order granting temporary possession to the organization. Under the proposal, title is conveyed to the organization when the rehabilitation is complete.

The proposal allows the owner of the property to file a motion for restoration of possession prior to the completion of rehabilitation. If the rehabilitation has not already been completed by the organization, the court will determine whether or not the owner has the resources and capacity to complete the rehabilitation. If the court determines that the owner is not able to complete the rehabilitation, the court will not restore possession to the owner. However, if the court determines that the owner is able to complete the rehabilitation, possession of the property will be restored to the owner and the court will determine proper compensation due to the organization for its expenditures.

Current law requires that the organization file an annual report detailing its rehabilitation and use of the property, including a statement of all expenditures made by the organization. The proposal requires that these reports be submitted quarterly.

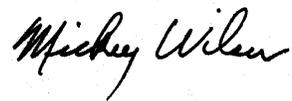
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

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Department of Economic Development  
Missouri Housing Development Commission  
Office of the State Courts Administrator

**NOT RESPONDING: City of Kansas City**



Mickey Wilson, CPA  
Acting Director  
February 1, 2002