

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4609H.02C
Bill No.: HCS for HB 2154
Subject: Cities, Towns, and Villages; Fire Protection; Political Subdivisions
Type: Original
Date: April 6, 2022

Bill Summary: This proposal changes the law regarding fire protection districts and fire hydrants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- 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 2023	FY 2024	FY 2025
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§71.014 – Annexed Area within a Fire Protection District

Oversight received no responses from cities, the counties of Franklin, Johnson and Ray and fire protection districts related to the fiscal impact of this section of the 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.

§71.395 – Fire hydrants

Officials from the **City of Kansas City** state this section would have a substantial negative fiscal impact because it would pass the cost of fire hydrants, currently paid for by developers, on to the City.

Officials from the **City of Springfield** anticipate a negative fiscal impact from this proposal and note it is difficult to quantify but would likely be very costly. At present, the expense of a fire hydrant is paid by the developer/property owner.

In response to a previous version, officials from the **City of Camdenton** stated cities could then be spending money to put in fire hydrants even though they may not have the funds available or could take money away from other needed services.

In response to a previous version, officials from the **City of Grandview** stated that most, if not all of the cities in Missouri, impose upon developers the requirement to build structures that comply with all City Codes, including Building and Fire Codes. The Fire Codes in particular require new buildings to incorporate life/safety features into the buildings, including fire hydrants as a condition to receiving building permits and certificates of occupancy. It is a matter of life and safety of city residents and is part of the cost of development. This proposal would shift the cost of installing fire hydrants to each city, which would clearly have a fiscal impact.

In response to a previous version, officials from the **City of Prairie Home** stated any new subdivision built within city limits will increase city costs by requiring the city to pay for the installation of fire hydrants. The cost of this unfunded mandate is unknown since it is not known what development will take place.

In response to a previous version, officials from the **City of Sikeston** assumed this proposal transfers the cost of development from the developer to the taxpayer at large, even though the taxpayer at large doesn't necessarily benefit from the installation of the hydrant.

In response to a previous version, officials from the **Florissant Valley Fire Protection District** assumed this proposal could reduce or limit required fire code requirements for fire flow that is important for firefighting, leaving areas without needed and required water supplies for firefighting

Oversight notes the responses from the cities and fire protection district above indicated this proposal would have an unknown negative impact. Oversight is unable to project a statewide cost for this proposal based on the number of cities and the number of potential fire hydrants that would be needed in any given year. Oversight will, therefore, show the impact to local governments-political subdivisions as an unknown cost.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities and fire protection districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in the Missouri Legislative Information System database is available upon request.

Bill as a Whole

Officials from the **Department of Public Safety’s Division of Fire Safety**, the **State Tax Commission** and the **City of Claycomo** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs – Cities – installation of fire hydrants (§71.395) p. 4</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

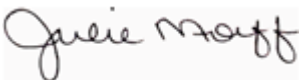
FISCAL DESCRIPTION

This bill requires an incorporated city to pay for the costs of installing a fire hydrants, other than a dry fire hydrant. If the city cannot or does not pay the cost of installation of the fire hydrant, installation of the fire hydrant cannot be required.

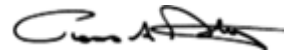
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Kansas City
City of Camdenon
City of Claycomo
City of Springfield
City of Grandview
City of Prairie Home
City of Sikeston
Florissant Valley Fire Protection District
Department of Public Safety - Division of Fire Safety
State Tax Commission



Julie Morff
Director
April 6, 2022



Ross Strobe
Assistant Director
April 6, 2022