

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4759H.011
Bill No.: HB 2292
Subject: Political Subdivisions; Business and Commerce; Cities, Towns, and Villages
Type: Original
Date: April 11, 2024

Bill Summary: This proposal establishes provisions governing no-impact, home-based businesses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§71.996 – No-Impact, Home-Based Businesses

Officials from **Kansas City** assume a negative fiscal impact of an indeterminate amount from this proposal.

Oversight notes this proposal requires city clerks or appropriate municipal officer to administer this section, including verification of the application and complete periodic compliance checks of the property to ensure compliance. Therefore, Oversight will reflect a \$0 or costs an unknown amount for this proposal.

Officials from the **Department of Economic Development**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Office of the Secretary of State, St. Louis City**, the **Kansas City Police Department** and the **St. Louis County Police Department** 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.

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

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs – municipal clerks – to administer these provisions §71.996</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

Small businesses who operate as a no-impact, home based business could be impacted by this proposal.

FISCAL DESCRIPTION

This bill requires property owners or leaseholders who wish to operate a no-impact, home-based business to submit an affidavit to the city clerk or other appropriate municipal officer containing the applicant's name, a description of the business including the type of business and its activities, verification that the business complies with Section 71.990 RSMo, and does not impact the residential character of the property or neighborhood, and a statement affirming that the business will not disrupt the residential character of the neighborhood or cause excessive traffic, noise, or other disturbances.

Once the clerk or other officer receives the affidavit, it will be reviewed to ensure that it complies with Section 71.990 and does not impact the residential character of the neighborhood. If the affidavit meets all other relevant regulations it will be accepted. If it is rejected, the municipality must provide a written explanation for the rejection.

A property owner or leaseholder receiving approval must agree to periodic compliance checks by local authorities to ensure continued adherence to Section 71.990, and must provide written notice to neighboring property owners within a reasonable distance, informing them of the business and providing contact information for addressing concerns or complaints.

If a property owner or leaseholder is found to be operating the business without the required affidavit or in violation of the terms and conditions of the affidavit, he or she may be subject to a fine, business closure, or other enforcement actions as determined by local authorities.

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

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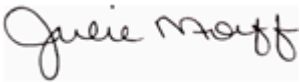
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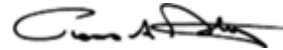
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SOURCES OF INFORMATION

Kansas City
Department of Economic Development
Department of Health and Senior Services
Department of Natural Resources
Department of Labor and Industrial Relations
Office of the Secretary of State
St. Louis City
Kansas City Police Department
St. Louis County Police Department



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April 11, 2024



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April 11, 2024