

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3084S.02I
 Bill No.: SB 791
 Subject: Political Subdivisions; Cities, Towns, and Villages; Counties; Appropriations;
 Crimes and Punishment; Saint Louis City
 Type: Original
 Date: March 12, 2024

Bill Summary: This proposal modifies provisions relating to homelessness.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*/**	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight reflects money designated for the homeless services as specified in §67.2300. Oversight notes H.B. 1606 from 2022 was declared unconstitutional as violating the single subject rule of Article III, § 23 of the Missouri Constitution and included Section 67.2300.
 **Oversight assumes that the money designated for the homeless and various services could reach the \$250,000 threshold.

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

Numbers within parentheses: () indicate costs or losses.

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

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 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety – Director’s Office**, the **Department of Public Safety Highway Patrol**, the **Department of Public Safety - State Emergency Management Agency**, the **Department of Social Services** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for above respective organizations.

Officials from the **Department of Economic Development (DED)** assume the proposal will have no fiscal impact on their organization.

Additionally, **DED**, via e-mail, stated that almost all of similar types of DED programs are funded with federal dollars from HUD, not state. DED does have a few tax credit programs that help organizations that provide assistance, but this legislation appears to be only for direct funded types of programs. Therefore, DED assumes it would need to be a direct general revenue appropriation to a department, as proposed in this bill.

Oversight notes HB 1606 from 2022 was declared unconstitutional as violating the single subject rule of Article III, § 23 of the Missouri Constitution, December 2023, which included Section 67.2300. For purposes of this fiscal note, Oversight will assume the Section 67.2300 is being newly implemented.

Additionally, 67.2300 1. (1), notes the term "Department", any department authorized to allocate funds raised by the state or federal funds received by the state for housing or homelessness.

Oversight is uncertain which department(s) will allocate funds or which funds will be allocated. Therefore, Oversight will reflect a potential unknown transfer out from the general revenue, various state funds and federal funds for the purpose of providing funds to local political subdivisions or not-for-profit organizations to assist with housing or homelessness.

Oversight notes Section 67.2300. 4. notes “The department shall provide up to twenty-five percent of the base allocation of such funds as performance payments to political subdivisions or not-for-profit organizations providing such services as rewards for meeting predetermined goals on reductions of:

- (a) Days unhoused;
- (b) Days in jail or prison; and
- (c) Days hospitalized, with the weights of such days to be determined by the department.”

Oversight notes the DED, specifically Missouri Housing Development Commission (MHDC), is currently responsible for issuing tax credits for Low Income Housing. The MHDC is also the statutorily designated administrator of the Missouri Housing Trust Fund.

Oversight notes that the Missouri Housing Trust Fund currently maintains a grant program helping the homeless, or the near homeless population in the State. Oversight notes the Trust Fund provided disbursement as follows:

Fiscal Year	Missouri Housing Trust Fund (0254)
2023	\$3,400,060
2022	\$4,116,833
2021	\$3,188,178

<https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>

Therefore, **Oversight** will assume that the money designated for the homeless and various services could reach the \$250,000 threshold.

Therefore, **Oversight** will note the transfer of the money from the general revenue, various state funds, and/or federal funds to the local political subdivisions.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the CKC.

The officials from the **Phelps County Sheriff Department**, the **Saint Louis County Police Department**, and the **Kansas City Police Department** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for above respective police departments.

Officials from the **Newton County Health Department** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs</u> - §67.2300 – administrative costs to implement	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Transfer Out</u> - §67.2300. 1 (1) – money for homelessness p.4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
FEDERAL FUNDS			
<u>Transfer Out</u> - §67.2300. 1 (1) – money for homelessness p.4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
OTHER STATE FUNDS			
<u>Transfer Out</u> - §67.2300. 2 – money for homelessness to the local political subdivision and other continuum care entities p.4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In - §67.2300 – money for homelessness p.4</u>	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

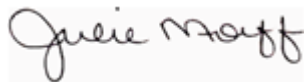
This act provides that a political subdivision located within a charter county or St. Louis City shall, in conjunction with any law enforcement agency and local continuum of care within its boundaries, develop an ordinance, order, or policy relating to homeless individuals which shall establish an encampment support team who shall notify homeless individuals of any relocation to temporary shelters or housing.

This act also repeals provisions relating to unauthorized camping on state grounds and provides that within 30 days from the notification by the political subdivision, any person living in an encampment shall relocate to a temporary shelter or housing provided by the political subdivision or another organization and any person in violation of this act shall be guilty of a class C misdemeanor, unless it is his or her first offense then it shall be a warning.

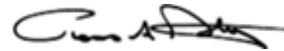
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Health and Senior Services
Department of Mental Health
Department of Labor and Industrial Relations
Department of Public Safety – Director’s Office
Department of Public Safety Highway Patrol
Department of Public Safety - State Emergency Management Agency
Department of Social Services
City of Kansas City
Phelps County Sheriff Department
Saint Louis County Police Department
Kansas City Police Department
Newton County Health Department



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Director
March 12, 2024



Ross Strobe
Assistant Director
March 12, 2024