

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3234H.01I
Bill No.: HB 1656
Subject: Employees - Employers; Political Subdivisions
Type: Original
Date: December 29, 2021

Bill Summary: This proposal specifies that no political subdivision can require its employees to reside within a jurisdiction.

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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Kansas City** assume this proposal could have a negative fiscal impact on the City in an indeterminate amount if the City loses earning tax revenue from the City's employee spouses who work and no longer reside in Kansas City.

Oversight assumes Kansas City's response is speculative and will not incur significant cost related to this proposal. Oversight assumes this change may increase the number of candidates applying for jobs with cities with such residency requirements. Oversight assumes employees working in, but not residing in, the city limits will still be required to pay the earnings tax.

Officials from the **University of Missouri System**, the **City of Springfield**, the **City of St. Louis**, the **Jackson County Board of Elections**, the **Platte County Board of Elections**, the **St. Louis County Board of Elections**, the **Kansas City Police Department**, the **St. Louis County Police Department**, the **Bevier Fire Protection District**, the **Dallas County R-I School District**, **Missouri State University**, the **University of Central Missouri** and **St. Charles Community College** 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 that we have received from state agencies and political subdivisions; however, other cities, counties, local law enforcement, fire protection districts, ambulance districts, schools, hospitals and colleges were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

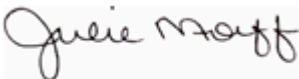
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

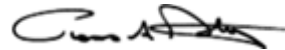
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Kansas City
University of Missouri System
City of Springfield
City of St. Louis
Jackson County Board of Elections
Platte County Board of Elections
St. Louis County Board of Elections
Kansas City Police Department
St. Louis County Police Department
Bevier Fire Protection District
Dallas County R-I School District
Missouri State University
University of Central Missouri
St. Charles Community College



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December 29, 2021



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