

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3234H.02C  
Bill No.: HCS for HB 1656  
Subject: Employees - Employers; Political Subdivisions  
Type: Original  
Date: February 3, 2022

---

Bill Summary: This proposal specifies that no political subdivision can require its employees to reside within a jurisdiction and changes the law regarding fire marshal employees.

**FISCAL SUMMARY**

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

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

Numbers within parentheses: () indicate costs or losses.

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

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

- ☐ 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
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **City of Kansas City (CKC)** 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 employees' family members who work and no longer reside in Kansas City.

**Oversight** assumes Kansas City's response is speculative and CKC will not incur significant losses 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 **Branson Police Department** assume this proposal will increase employment and hiring opportunities for the Department. The city limits the Department's ability to fund basic police academy students which are the only applications that are received. The Department is unable to employ these applicants without the POST Certifications.

Officials from the **Department of Public Safety's Office of the Director**, the **City of O'Fallon**, the **City of Springfield**, the **Phelps County Sheriff's Office**, the **Springfield Police Department**, the **St. Joseph Police Department**, the **St. Louis County Police Department**, the **Fruitland Area Fire Protection District**, the **Carroll County 911 Board**, the **Little Blue Valley Sewer District**, the **Metropolitan St. Louis Sewer District**, the **Morgan County PWSD #2**, the **St. Charles County PWSD #2**, the **Wayne County PWSD #2**, the **Hermann Area Hospital District** and the **South River Drainage District** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials at the **University of Missouri System**, 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 **Bevier Fire Protection District**, the **Dallas County R-I School District**, **Missouri State University**, the **University of Central Missouri** and the **St. Charles Community College** each assumed 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, counties, local law enforcement, fire protection districts, ambulance districts, schools, utilities, hospitals and colleges were requested to respond to this proposed

legislation but did not. A general listing of political subdivisions included in Oversight's 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

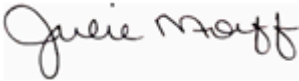
The proposed legislation appears to have no direct fiscal impact.

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

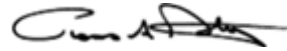
#### SOURCES OF INFORMATION

City of Kansas City  
Branson Police Department  
Department of Public Safety  
Office of the Director  
University of Missouri System  
City of O'Fallon  
City of Springfield  
City of St. Louis  
Jackson County Board of Elections  
Platte County Board of Elections  
St. Louis County Board of Elections  
Phelps County Sheriff's Office  
Springfield Police Department  
St. Joseph Police Department  
Kansas City Police Department  
St. Louis County Police Department  
Fruitland Area Fire Protection District  
Carroll County 911 Board

Bevier Fire Protection District  
Dallas County R-I School District  
Missouri State University  
University of Central Missouri  
St. Charles Community College  
Little Blue Valley Sewer District  
Metropolitan St. Louis Sewer District  
Morgan County PWSD #2  
South River Drainage District  
St. Charles County PWSD #2  
Wayne County PWSD #2  
Hermann Area Hospital District



Julie Morff  
Director  
February 3, 2022



Ross Strobe  
Assistant Director  
February 3, 2022