

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6069-01
Bill No.: HB 2361
Subject: Housing; Property, Real and Personal
Type: Original
Date: February 15, 2016

Bill Summary: This proposal establishes the Missouri Homeowners' Bill of Rights.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **City of Kansas City** and **Callaway County** assume the current proposal would not fiscally impact their local political subdivision.

Oversight notes this proposal establishes the Missouri Homeowners' Bill of Rights and sets forth regulations for the management and operation of these associations. Oversight assumes there will be no direct fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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

This proposal creates the "Missouri Homeowners' Bill of Rights" which shall be a regulatory scheme for homeowners' associations. The associations to which the proposal applies are defined, and variation by agreement to the homeowners' bill of rights are prohibited.

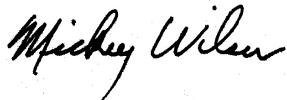
The proposal regulates the management and operation of associations including the organizational structure, required offices of the associations, the powers of the associations, and the process for transfer of control from a developer to an association as lots are sold in new developments.

The proposal also lists terms which must be included in the by-laws of a homeowners association, including the required number of members of the executive board and titles for those members, the election process for the members, powers and qualifications of the board, powers which may be delegated to other persons or a managing agent, and provisions relating to meetings, voting, quorums, financial responsibilities, special assessments, and other activities of the association.

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
Callaway County



Mickey Wilson, CPA
Director
February 15, 2016

Ross Strobe
Assistant Director
February 15, 2016