



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **SB0125: Revise laws related to community homes for people with developmental disabilities**

Primary Sponsor: Mary Ann Dunwell

Status: As Introduced

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☒ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> | <u>FY 2028</u> <u>Difference</u> | <u>FY 2029</u> <u>Difference</u> |
|-----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact

SB 125 is anticipated to have a limited fiscal impact on the Department of Public Health and Human Services (department). The changes in the bill primarily impact licensing requirements and processes. Additionally, the department has received only one complaint in which the situations in SB 125 would apply.

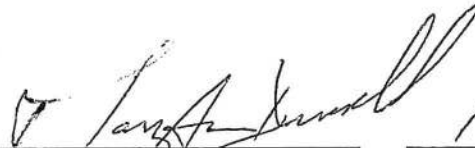

FISCAL ANALYSIS

Assumptions

1. SB 125 primarily impacts licensing requirements and processes. Therefore, no fiscal impact is anticipated.

Technical Concerns

The new license requirement for the department to provide written notice to landowners within one-half mile of a proposed new community home would add time, expense, and barriers to licensure of new community homes. Notice and public comment of new community homes could have a disproportionate effect on a protected class and thus trigger Fair Housing Act issues. This is very similar to a case out of Maryland, Potomac Group Home Corp. v. Montgomery County, where the court found a neighbor notification requirement violated the Fair Housing Act. Potomac Group Home Corp. v. Montgomery County, 823 F. Supp. 1285, 1297. Requiring setbacks and fencing may also trigger Fair Housing Act litigation. Compliance with the Fair Housing Act and the Americans with Disabilities Act is a requirement for federal participation, and implementing these rules could put federal funding at risk.

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|---|----------------|--|------------------|
|  | <u>1-20-25</u> |  | <u>1/20/2025</u> |
| Sponsor's Initials | Date | Budget Director's Initials | Date |