

HB 2385 -- LOCAL GOVERNMENT ORDINANCES FOR RENTAL PROPERTY

SPONSOR: Keathley

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on General Laws by a vote of 12 to 4.

Currently, no county or city can regulate the amount of rent for certain residential or commercial rental property.

This bill adds the provision that no county or city can prohibit landlords from refusing to lease or rent certain residential or commercial rental property to a person because the person's source of income to pay rent includes funding from a Federal housing assistance program.

PROPOSERS: Supporters say that forcing private property owners to accept rent payments from lessees that require funding from a federal housing assistance program infringes on the private property owner's rights. Property owners should be able to choose to participate in federal housing assistance programs. Property owners rent their properties in order to collect rent and therefore, collect revenue and are not providing rental units as an act of charity. Currently, when property owners do accept vouchers for rental assistance programs, those vouchers are not guaranteed. If the voucher user does not follow protocol, landlords often lose out on rental payments. There is no one to collect this lost rent from because the voucher user is often dismissed from the rental assistance program if they don't follow procedure. There are cities within the State that have implemented ordinances that force property owners to accept rental assistance vouchers. Many property owners have sold their properties in these cities because they are losing potential rent money by being forced to accept vouchers. They can collect more rent in other areas, including out of state. This legislation would allow property owners to continue to choose whether they want to accept these vouchers.

Testifying in person for the bill were Representative Keathley; Arnie Dienoff; David Stokes, Show-Me Institute; Missouri Apartment Association; St. Louis Apartment Association; Diego Gandolfo; American Action Fund; Missouri Realtors; and Stacey Johnson-Cosby.

OPPOSERS: Those who oppose the bill say that these ordinances that have been passed, specifically in Kansas City, do not force property owners to accept housing vouchers. Instead, the ordinance in question allows tenants with housing vouchers to rent without their payment method disqualifying them from potential living situations, for example, landlords cannot disqualify a potential tenant solely based on their form of payment. This legislation

would allow property owners to never have to accept rental vouchers which could result in further segregation based on the small number of property owners that are willing to accept vouchers. The property owners would likely be sequestered to a specific area, essentially a slum. A higher concentration of poverty would lead to higher concentrations of crime. Opponents further state that if a city makes a policy, that policy should be enacted without fear of state interference. Even with ordinances in place, like the one in Kansas City, property owners can still make decisions on which renters they accept based on past criminal behavior or other disqualifying factors.

Testifying in person against the bill were Trina Ragain, Empower Missouri; Health Forward Foundation; City Of Kansas City; and Empower Missouri.

OTHERS: Others testifying on the bill say that forcing property owners to accept certain renters that receive federal funds goes against the established free market.

Testifying in person on the bill was Armorvine.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.