

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1536-04
Bill No.: Truly Agreed To and Finally Passed HCS for SB 322
Subject: Roads and Highways; Motor Vehicles; Transportation; Administration, Office of; Public Buildings
Type: Original
Date: June 5, 2007

Bill Summary: This proposal changes various provisions relating to public buildings and expands commercial zone areas in certain parts of the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Capitol Improvement Budget-Variou Funds	\$330,000	\$330,000	\$0
Facilities Management Revolving Fund	\$113,500	\$113,500	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$443,500	\$443,500	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 8.007, 8.110, 8.250, 8.255, & 8.291

Officials at the **Facilities Management, Design and Construction (DFMDC)** assume significant savings of at least \$443,500 per year from reduction of advertising, and a reduction in overall project cost. Anticipated project cost will be reduced significantly.

Approximately 30-35 projects per year have project costs of \$25,000 to \$100,000. Under the proposed legislation, these projects would not require advertising. DFMDC standard estimate of advertising projects is \$3,000. Therefore passage of the proposed legislation would result in the following calculation: 30-35 contracts/yr x \$3000/project advertising = \$90,000-\$105,000 annual savings.

The proposed legislation would reduce advertising requirements on all projects. DFMDC could reduce our advertising to one major paper for projects within 75 miles of cities having a population of 160,000 or more. Of DFMDC's approximately 60-70 projects in a year in excess of \$100,000, it is estimated that 25% of these would be within 75 miles of St. Louis and Kansas City. The savings in advertising for these projects could be: $70 \times 25\% = 18 \times \$1,000 = \$18,000$.

DFMDC could also reduce advertising on the remaining 75% of other projects in this broad classification by not advertising in any major newspapers. This could result in advertising savings as follows: $52 \times \$2,000 = \$104,000$.

TOTAL COST SAVINGS = Advertising per year: \$195,000 - \$227,000.

TOTAL JOB ORDER CONTRACTING (JOC) SAVINGS:

Of the proposed 21-JOC's of \$1.6M, an annual savings of \$330,000 annually or \$660,000 bi-annual. (Advertising, misc. exp., RATF, contingency and design)

Officials at the **Department of Public Safety, Missouri Senate** and the **Missouri House of Representatives** assume that there is no fiscal impact from this proposal.

Section 304.190 Commercial Zone

Officials at the **Missouri Department of Transportation, City of Centralia** and the **City of Kansas City** assume that there is no fiscal impact from this proposal.

ASSUMPTION (continued)

No other cities or counties responded to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
CAPITOL IMPROVEMENT BUDGET VARIOUS FUNDS			
<u>Savings - CI Budget</u>			
Reduced advertising costs	<u>\$330,000</u>	<u>\$330,000</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON CAPITOL IMPROVEMENT BUDGET VARIOUS FUNDS	<u>\$330,000</u>	<u>\$330,000</u>	<u>\$0</u>
FACILITIES MANAGEMENT REVOLVING FUND (FMRF)			
<u>Savings - FMRF</u>			
Reduced advertising costs	\$113,500	\$113,500	\$0
ESTIMATED NET EFFECT ON FMRF FUND	<u>\$113,500</u>	<u>\$113,500</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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

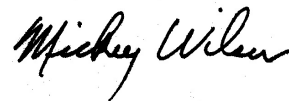
This bill changes the laws regarding the requirements for designing, constructing, and managing state buildings. The Second State Capitol Commission is allowed to control copyrights and trademarks for any photograph, written work, art object, or any product created of the Capitol or Capitol grounds by granting access or use of the work. Any money received must be directed to the Capitol Commission Fund to be used for repairs, refurbishment, or creation of decorations or adornments for the Capitol or its grounds. The bill renames the Division of Facilities Management to the Division of Facilities Management, Design, and Construction and expands its responsibilities to include the supervision of any design, construction, renovation, or repair of state facilities. An open bidding process will be used for all projects in excess of \$100,000. For projects costing between \$25,000 and \$100,000, a minimum of three contractors must be solicited with the contract awarded to the lowest, responsive, responsible bidder. The commission is authorized to award multiple projects to a single firm if it is in the best interest of the state.

This act extends the commercial zone surrounding the City of St. Louis 25 miles beyond its city limits. The current law extends the commercial zone 18 miles beyond the St. Louis city limits. The act further extends the commercial zone throughout St. Charles County. The act also establishes a commercial zone east of the city limits of Missouri City along state route 210 and northwest from the intersection of state route 210 and state route 10 to include the boundaries of Excelsior Springs.

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

Department of Public Safety
Missouri Senate
Office of Administration
 Facilities Management, Design and Construction
Missouri House of Representatives
Missouri Department of Transportation
City of Kansas City
City of Centralia



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