

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4646-01  
Bill No.: SB 549  
Subject: Education, Elementary and Secondary; Property - Real and Personal  
Type: Original  
Date: February 20, 2012

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Bill Summary: This proposal modifies how school districts maintain vacant or unused school buildings.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on General Revenue Fund</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</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.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue** and the **State Tax Commission** state this proposed legislation has no fiscal impact on their respective agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** indicate this proposal has no fiscal impact on their agency. The proposal pertains to public schools in ownership of surplus school properties. Local schools districts may realize a fiscal impact, but DESE is unable to calculate the potential impact to the local entities.

Officials from the **Parkway School District** stated the proposal would have no fiscal impact on their agency.

Officials from the **University of Missouri - Kansas City** (Charter school sponsor) assume this proposal could lower the burden on the taxpayers in suburban school districts (in the same or an adjacent county) to provide additional facilities. It could also reduce the related transportation costs for the St Louis School District and the Kansas City Public Schools. Also, the proposal could lower the burden on taxpayers for the purchase and remodeling of commercial building for use by charter schools when vacant school district facilities are available in high need areas as identified by studies of St Louis and Kansas City.

**Oversight** assumes it is unknown how many districts have twenty percent of their buildings that have been unused in excess of two years. **Oversight** assumes school districts could see savings in maintenance of unused building facilities or income from the sale or lease of such buildings. **Oversight** will assume, for fiscal note purposes only, an Unknown positive fiscal impact to school districts.

**This proposed legislation was sent to the following school districts, none of which responded to a request for fiscal impact: Blue Springs, Branson, Columbia, Fair Grove, Francis Howell, Independence, Jefferson City, Kirksville, Lee's Summit, Mexico, Nixa, Raytown, Sedalia, Sikeston, Silex, Special School District of St Louis County, Spickard, Springfield, St Charles, St Joseph, St Louis City, Sullivan, Calhoun, Caruthersville, Kansas City, Jennings, Normandy, Riverview Gardens.**

**This proposal was also sent to the following charter school sponsors who did not respond to a request for fiscal impact: Kansas City Metropolitan Community College, Lindenwood University, Missouri Baptist University, Southeast Missouri University, St Louis School**

ASSUMPTION (continued)

**District, Washington University, University of Central Missouri, UM System (University of Missouri -St Louis, Missouri Science and Technology-Rolla).**

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Income/Savings</u> - School Districts - Sale or lease of vacant buildings or savings in maintenance costs of such buildings	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

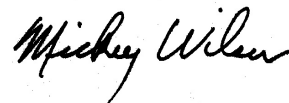
FISCAL DESCRIPTION

This proposed legislation requires any school district that owns school buildings that have been vacant or unused for educational purposes for two consecutive school years to make them available to other public schools free of any rent or lease charge. Any public school that uses them is responsible for maintenance, upkeep, repairs, and utility charges. If no public school makes use of them, the district must sell the buildings at fair market value or make them available for lease at fair market value. A school district may retain up to twenty percent of its vacant buildings.

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 Elementary and Secondary Education  
Department of Revenue  
State Tax Commission  
School Districts  
    Parkway  
Charter School Sponsors  
    University of Missouri - Kansas City



Mickey Wilson, CPA  
Director  
February 20, 2012