

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4683-01  
Bill No.: Perfected SB 682  
Subject: Office of Administration; Newspapers and Publications; Public Records; Public Meetings; State Departments  
Type: Original  
Date: February 16, 2016

---

Bill Summary: This proposal modifies provisions relating to land purchases made on behalf of state departments.

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Conservation**, the **Department of Transportation**, the **Department of Agriculture**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety - Office of Adjutant General**, the **Department of Public Safety - Capitol Police**, the **Department of Public Safety - Alcohol and Tobacco Control**, the **Department of Public Safety - Fire Safety**, the **Department of Public Safety - Gaming Commission**, the **Department of Public Safety - State Emergency Management Agency**, the **Department of Public Safety - Missouri Veterans Commission**, the **Office of the Governor**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Retirement**, the **Legislative Research**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Missouri Lieutenant Governor**, the **Department of Transportation**, the **Office of Prosecution Services**, the **Missouri State Employees Retirement System**, the **MoDOT and Patrol Employees Retirement System**, the **Office of Administration - Administrative Hearing Commission**, the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **Missouri Senate**, the **Office of the Secretary of State**, the **Office of the State Public Defender**, the **Office of the State Treasurer** and the **State Tax Commission** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Attorney General's Office (AGO)** assume that any potential costs arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if the proposal results in a significant increase in cases.

Officials from the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Corrections**, the **Department of Revenue**, the **Department of Public Safety - Director's Office**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services**, and the **Office of Administration - Budget and Planning** defer to Office of Administration - Facilities Management Design and Construction for fiscal impact.

ASSUMPTION (continued)

Officials from the **Office of Administration (OA) - Facilities Management Design and Construction (FMDC)** assumes the probability of purchasing property would be one per year. For one purchase, the advertising cost could vary from \$7,792 to \$43,274 depending on the advertising market area. The requirements in section 13.005 would create the need for additional funds to cover the cost for advertising. FMDC assumes these costs would be \$36,062 in FY 17, \$44,356 in FY 18, and \$45,465 in FY 19.

Officials from the **Department of Natural Resources (DNR)** assume the public notice requirement of this proposal will drive up both the interest and the price of acquiring land. At this time, DNR assumes a 25% cost increase. The Division of State Parks has spent an average of \$389,000 annually on land acquisitions (6 year average); therefore, we anticipate an annual cost increase for land purchases of \$97,250.

**Oversight** assumes the increased price of acquiring land is speculative and will not reflect that impact in the fiscal note.

**DNR** also states the advertising requirements would be dependent on each county that land may be purchased in. The requirement for the notice of the intent to purchase requires nine weeks of advertisement in every newspaper of the impacted county with circulation of more than 500 customers. The requirement for the notice of the public hearing requires two weeks of advertisement in every newspaper of the impacted county with circulation of more than 500 customers. Based on quotes provided by the Missouri Press Service, Inc, the lowest advertisement rate is \$25.50 per week while the highest rate is \$4,244.34 per week. On average, the Division of State Parks makes 7 land purchases per year (6 year average). Therefore, the price of the two week notice (hearing) would range from \$357 - \$59,423, while the price of the nine week notice (purchase of the land) would range from \$1,610 - \$267,393.

DNR assumed an annual total cost of \$326,814 based upon the higher rate of \$4,244 per week for eleven weeks (9 weeks for the purchase of the land plus 2 weeks for the hearing), or \$4,244.34 x 11 weeks x 7 projects = \$326,814. DNR assumes this is an expense to the Parks and Soils Sales Tax Fund.

**Oversight** notes that this requirement does not apply to "such departments as derive their power to acquire lands from the constitution of the state". Therefore, the proposal would not impact the Missouri Department of Conservation nor the Department of Transportation.

ASSUMPTION (continued)

Senate Amendment 1

**Oversight** assumes this amendment removes the advertising requirements for land purchases in the original proposal. This amendment will eliminate the estimated costs associated with providing public notice in every newspaper with a circulation of more than five hundred customers in every county in which the Office of Administration intends to purchase private land.

<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

The proposed legislation appears to have no direct fiscal impact.

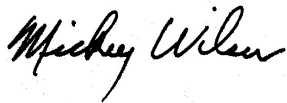
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office  
Department of Agriculture  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
    Director's Office  
    Office of Adjutant General  
    Capitol Police  
    Alcohol and Tobacco Control  
    Fire Safety  
    Gaming Commission  
    Missouri Highway Patrol  
    State Emergency Management Agency  
    Missouri Veterans Commission  
Department of Social Services  
Office of the Governor  
Joint Committee on Administrative Rules  
Joint Committee on Public Retirement  
Legislative Research  
Missouri Lottery Commission  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri House of Representatives  
Missouri Lieutenant Governor  
Department of Transportation  
Office of Prosecution Services  
Missouri State Employees Retirement System

SOURCES OF INFORMATION (continued)

MoDOT and Patrol Employees Retirement System  
Office of Administration  
    Facilities Management Design and Construction  
    Administrative Hearing Commission  
    Budget and Planning  
Office of the State Courts Administrator  
Office of the State Auditor  
Missouri Senate  
Office of the Secretary of State  
Office of the State Public Defender  
Office of the State Treasurer  
State Tax Commission



Mickey Wilson, CPA  
Director  
February 16, 2016

Ross Strobe  
Assistant Director  
February 16, 2016