

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1055-03
Bill No.: Truly Agreed To and Finally Passed HCS for SB 196
Subject: Historic Preservation; Department of Natural Resources
Type: Original
Date: June 10, 2019

Bill Summary: This proposal changes the law regarding the Division of State Parks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Historic Preservation Revolving Fund (0430)	\$0 or (Up to \$1,490,000)	\$0 or (Up to \$1,490,000)	\$0 or (Up to \$1,490,000)
Rock Island Trail State Park Endowment Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on Other State Funds	\$0 or (Up to \$1,490,000)	\$0 or (Up to \$1,490,000)	\$0 or (Up to \$1,490,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Historic Preservation Revolving Fund	0 or .5 FTE	0 or .5 FTE	0 or .5 FTE
Total Estimated Net Effect on FTE	0 or .5 FTE	0 or .5 FTE	0 or .5 FTE

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government*	\$0	\$0	\$0

*Income and costs net to zero.

FISCAL ANALYSIS

ASSUMPTION

§253.080 - State Parks Concessions Contracts

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no fiscal impact on their organization.

Oversight inquired of DNR as to how many concession contracts they currently have. DNR notes they have 16 concession contracts.

Officials from the **Department of Revenue** and **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§253.177 - Rock Island Trail State Park Endowment Fund

Officials from the **Department of Natural Resources (DNR)** state as of April 18, 2019, DNR is in the process of negotiating an Interim Trail Use Agreement with Missouri Central Railroad (an affiliate of Ameren Missouri), the current owner of the former Chicago, Rock Island, and Pacific Railroad east of milepost 144. The National Trails System Act, 16 U.S.C. § 1247(d) and 49 C.F.R. § 1152.29, established a process known as "railbanking." Railbanking is a voluntary agreement between a railroad company and a trail agency to use an out-of-service corridor as a trail until a railroad might need the corridor again for rail service. In response to a request submitted by the DNR, with concurrence from Missouri Central Railroad, the Surface Transportation Board, a federal adjudicatory board responsible for economic regulatory oversight of railroads, issued a Notice of Interim Trail Use on Feb. 25, 2015.

The Notice of Interim Trail Use authorized DNR to negotiate with Missouri Central Railroad for acquisition of the corridor for use as a public recreational trail in accordance with the National Trails System Act. Should the parties conclude negotiations, DNR and the railroad may sign an Interim Trail Use Agreement, and Missouri State Parks, a division of DNR, would then be responsible for managing the railbanked corridor as a new state park trail. The current deadline to conclude negotiations is August 20, 2019.

ASSUMPTION (continued)

If this bill becomes law, DNR estimates that establishment of the new fund could result in some administrative costs to the State Treasurer's office associated with setting up, administering and investing this new fund. DNR is unable to predict how much revenue may be derived from private donors or the amount of interest income that could be earned from investment of those donations if the new fund is established, but trail supporters have publicly indicated intention to provide financial contributions if DNR accepts responsibility for trail development.

There are other statutorily created state park endowment funds in the state treasury (see Sections 253.092, 253.120, 253.350 - 253.380, and 253.520). For example, in FY 2018 the Dr. Edmund A. Babler Memorial State Park Fund (0911) created by Section 253.360, RSMo, had a beginning balance of \$792,121.87, received \$178,759.68 in receipts, and had \$107,619.03 in disbursements, with a fiscal year-end balance of \$828,048.60.

For fiscal note purposes, **Oversight** will reflect a potential unknown amount of donations received by the new Rock Island Trail State Park Endowment Fund and possible expenditures out of the fund.

Officials from the **Office of the State Treasurer** and the **Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight inquired of DNR as to whether any funds had been deposited into the State Parks Earnings Fund for the purposes of operating, maintaining, and securing any portion of the former Chicago, Rock Island, and Pacific Railroad corridor. **DNR** notes they are not aware of any funds deposited for that purpose to date.

§253.403 - Grants for Historic County Courthouses and Courthouse Grounds

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no direct fiscal impact on their organization.

Upon further inquiry by **Oversight**, DNR noted the costs to administer the program in the Division of State Parks would be:

ASSUMPTION (continued)

0.5 FTE Cultural Resource Planner II	\$20,942
Fringe Benefits	\$12,751
Travel	\$1,000
Supplies	<u>\$500</u>
Total	\$35,193

Oversight assumes DNR may be able to use existing resources to administer this program as they indicated in their assumption; however, DNR may also incur some expenses administering this program. Therefore, Oversight will range the administrative costs to DNR on the fiscal note from \$0 to the amounts shown above.

Oversight notes the fund balance in the Historic Preservation Revolving Fund (0430) has been:

June 30, 2016	\$1,842,766;
June 30, 2017	\$1,381,980;
June 30, 2018	\$1,695,579; and
January 31, 2019	\$1,490,359

Oversight assumes DNR may award grants to preserve, protect, or restore historic county courthouse from the Historic Preservation Revolving Fund; therefore Oversight will range the fiscal impact of this proposal from \$0 (DNR does not award grants) to the approximate balance of the Historic Preservation Revolving Fund assuming DNR could not award grants totaling more than the balance of the fund. Oversight will also reflect the fiscal impact to Counties as \$0 (does not receive grants from DNR) to that same amount.

Officials from the **Office of Administration - Budget and Planning (BAP)** assume this proposal will have no fiscal impact on their organization, no direct impact on General and Total State Revenues and will not impact the calculation pursuant to Article X Section 18(e).

Oversight notes that BAP has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000.

ASSUMPTION (continued)

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.

However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
COUNTY GOVERNMENTS			
<u>Income</u> - grants awarded from DNR	\$0 or Up to \$1,490,000	\$0 or Up to \$1,490,000	\$0 or Up to \$1,490,000
<u>Cost</u> - costs associated with preserving historic county courthouses	\$0 or (Up to <u>\$1,490,000</u>)	\$0 or (Up to <u>\$1,490,000</u>)	\$0 or (Up to \$1,490,000)
ESTIMATED NET EFFECT ON COUNTY GOVERNMENTS	<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

Currently, all facilities constructed at Missouri State Parks by the Department of Natural Resources must be done with appropriated funds. This bill specifies that if the director has entered into a binding agreement with a donor or grantor, the department may use funds from the donor or grantor.

Also, currently, all bids for contracts for private entities to operate facilities or supply services on a state park must be advertised in daily or weekly newspapers.

This bill would only require the department to advertise for bid any concession contract with expected annual gross receipts of \$25,000 or more. The director may also allow a contract to extend to operations or management in more than one state park if he or she determines it to be in the best interest of the state based on an assessment of the financial and operational history of the facility.

The director may authorize a private entity to provide services to visitors to department property for up to two years through a commercial use permit without soliciting competitive sealed bids. Any commercial use permit is limited to commercial operations with annual gross receipts of no more than \$100,000 resulting from the services within the park or historic site and which only involve incidental use of state park or historic site facility space or resources.

FISCAL DESCRIPTION (continued)

This bill also creates the "Rock Island Trail State Park Endowment Fund" within the Department of Natural Resources to receive funds for the operation, maintenance, or security of any portion of the former Chicago, Rock Island, and Pacific Railroad corridor east of milepost 215.325.

This act authorizes the Missouri Department of Natural Resources to award grants to preserve, protect, or restore historic county courthouses. The Department shall administer and act as the fiscal agent for the grant program and shall be responsible for receiving and reviewing grant applications and awarding grants.

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 Natural Resources
Office of Administration - Budget and Planning
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Treasurer
Department of Transportation
Department of Revenue



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June 10, 2019

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June 10, 2019