

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3074-02  
Bill No.: SCS for HB 1330  
Subject: Property, Real and Personal  
Type: Original  
Date: April 30, 2020

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Bill Summary: This proposal authorizes the conveyance of certain state properties.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>          |                                 |                       |                       |
|--|---------------------------------|-----------------------|-----------------------|
| FUND AFFECTED  | FY 2021                         | FY 2022               | FY 2023               |
| General Revenue  | Unknown to<br>(Unknown)         | \$0 or Unknown        | \$0 or Unknown        |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue</b> | <b>Unknown to<br/>(Unknown)</b> | <b>\$0 or Unknown</b> | <b>\$0 or Unknown</b> |

\*The “(Unknown)” in FY 2021 represents the value of the parcels conveyed (assumed to be conveyed without compensation). Potential savings in maintenance of the conveyed parcels is reflected in future years.

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2021    | FY 2022    | FY 2023    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>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 2021</b> | <b>FY 2022</b> | <b>FY 2023</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 2021</b> | <b>FY 2022</b> | <b>FY 2023</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 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> |
| <b>Local Government</b>                    | <b>Unknown</b> | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** notes this Senate Committee Substitute conveys several state properties, including;

Section 1 - Within Cole County to the Heartland Port Authority (underlying bill);

Section 2 - Within Cole County to the Heartland Port Authority (underlying bill);

Section 3 - Within the City of Fulton;

Section 4 - Within the City of Farmington;

Section 5 - Within the City of Farmington;

Section 6 - Within Ste. Genevieve County

Officials from the **Office of the Attorney General**, the **Department of Natural Resources**, **Office of the Governor**, and the **Department of Public Safety (Missouri National Guard and Missouri State Emergency Management Agency)** have each stated the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Administration** state their Division of Facilities Management, Design and Construction does not make public appraisals for values for property that may be sold or conveyed because public knowledge of such information may hinder the state's ability to gain the best value for the property. Additionally, since the terms of conveyances are yet to be determined, the fiscal impact, if any, cannot be calculated. Therefore, the fiscal impact is \$0 to Unknown.

In response to previous similar proposals, officials from the **Department of Corrections (DOC)** stated the property in question (Sections 1 and 2) is the main access road leading to both the Jefferson City Correctional Center and Algoa Correctional Center.

DOC stated the impact of this legislation is unknown at this time. DOC's response assumes that only an easement can be sold, transferred, granted, or conveyed; that the property in question will remain state property. The unknown impact is due to the possibility that the port authority could assume some portion of the maintenance costs for the road.

Officials from Cole County and the City of Jefferson did not respond to **Oversight's** request for fiscal impact.

**Oversight** assumes the state land described in Section 1 of the bill would be conveyed to the Heartland Port Authority of Central Missouri without compensation (dependant upon development of the land). If the port authority is developed and operates as planned, this may

ASSUMPTION (continued)

spur economic growth and development within the area; however, Oversight would consider this growth an indirect impact of the bill and we do not calculate or reflect indirect impacts on fiscal notes. Therefore, Oversight will reflect an unknown loss to the state in FY 2021 of the value of the land, and an offsetting gain to the Heartland Port Authority of Central Missouri (local political subdivision).

**Oversight** will also reflect a potential savings to the state for the cost of annual maintenance of the property (if any) in future years.

Section 3 - conveyance of parcel in the City of Fulton:

In response to a similar proposal (HB 2405), officials from the **Office of Administration** stated since the terms of the conveyance are to be determined, the fiscal impact, if any, cannot be calculated. Therefore, the fiscal impact is unknown.

In response to a similar proposal (HB 2405), officials from the **Office of the Attorney General** assumed no fiscal impact to their office.

Sections 4 and 5 - conveyance of parcels in the City of Farmington:

In response to a similar proposal (HB 1696), officials from the **Office of the Governor** and the **Office of the Attorney General** each assumed the proposal would not have a fiscal impact on their respective agencies.

In response to a similar proposal (HB 1696), officials from the **Office of Administration, Division of Facilities Management, Design and Construction (OA)** stated they do not make public appraisal values for property that may be sold or conveyed because public knowledge of such information may hinder the state's ability to gain the best value for the property. Additionally, since the terms of conveyances are yet to be determined, the fiscal impact, if any, cannot be calculated. Therefore, the fiscal impact is \$0 to unknown.

**Oversight** notes according to an article in the Daily Journal Online, the property was purchased by the City of Farmington in the 1980s from the state hospital to develop and attract industry to the area. The deeds to the properties contain reversion clauses, stating that if the city did not use them for municipal, commercial, or industrial purposes, the properties would return to the state. Some of the properties have already been sold, while others remain unsold, and now there is differing opinions on whether the City of Farmington is authorized to sell the parcels.

ASSUMPTION (continued)

**Oversight** assumes this amendment is attempting to clear up title confusion for these parcels and no property or sale proceeds will change hands. Therefore, Oversight assumes there will be no direct fiscal impact from this amendment.

**Oversight** will assume all conveyances will occur in FY 2021.

Sections 6- conveyance of parcels in Ste. Genevieve County to the U.S. Department of the Interior, National Park Service:

**Oversight** notes the Department of the Interior, National Park Service (NPS) website contains information regarding the Ste. Genevieve National Historical Park, stating the park “was authorized by the Consolidated Appropriations Act of 2018 on March 23, 2018. The act incorporates by reference Section 7134 of Senate Bill 1460, which authorizes the establishment of Ste. Genevieve National Historical Park as a unit of the National Park System "to preserve, protect, and interpret for the benefit of present and future generations the themes of French settlement, vernacular architecture, and community form and farming on the frontier associated with Ste. Genevieve." The authorization includes the following conditions:

CONDITIONS FOR ESTABLISHMENT - The Historical Park shall not be established until the date on which the Secretary determines that:

- A. sufficient land has been acquired for the Historical Park to constitute a manageable unit; and
- B. the Secretary has entered into a written agreement providing that land owned by the State, the City of Ste. Genevieve, or other entity within the Historic District shall be managed consistent with the purposes of this section."

“The National Park Service and Department of Interior will work with state and local entities towards meeting the conditions for establishment of Ste. Genevieve National Historical Park. The establishment of a new national park can take time, as can making a site ready for NPS operation and visitation. We appreciate your continued interest in Ste. Genevieve as the newest authorized unit of the national park system.”

**Oversight** notes five parcels of land were authorized to be conveyed from our Department of Natural Resources to the Department of the Interior, National Park Service by SB 907 in 2018. Oversight assumes the three parcels included in this bill are in addition to the parcels listed in SB 907.

ASSUMPTION (continued)

**Oversight** notes the Ste. Genevieve Final Special Resource Study and Environmental Assessment by the U.S. Department of the Interior, National Park Service listed several structures included in proposed NPS unit:

| <u>FISCAL IMPACT - State Government</u>   | FY 2021<br>(10 Mo.)                | FY 2022                      | FY 2023                      |
|---|------------------------------------|------------------------------|------------------------------|
| <b>GENERAL REVENUE</b>  |                                    |                              |                              |
| <u>Loss</u> - value of the land described in Sections 1-6 - to be conveyed and the cost of the conveyance | (Unknown)                          | \$0                          | \$0                          |
| <u>Revenue</u> - proceeds of the conveyance (if any)  | \$0 or Unknown                     | \$0                          | \$0                          |
| <u>Savings</u> - cost of maintenance of the properties being conveyed                                     | <u>\$0</u>                         | <u>\$0 or Unknown</u>        | <u>\$0 or Unknown</u>        |
| <b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>   | <b><u>Unknown to (Unknown)</u></b> | <b><u>\$0 or Unknown</u></b> | <b><u>\$0 or Unknown</u></b> |
| <br>  |                                    |                              |                              |
| <u>FISCAL IMPACT - Local Government</u>   | FY 2021<br>(10 Mo.)                | FY 2022                      | FY 2023                      |
| <b>HEARTLAND PORT AUTHORITY OF CENTRAL MISSOURI</b>   |                                    |                              |                              |
| <u>Income</u> - value of the land described in Sections 1 & 2 - conveyed from the state                   | <u>Unknown</u>                     | <u>\$0</u>                   | <u>\$0</u>                   |
| <b>ESTIMATED NET EFFECT TO THE HEARTLAND PORT AUTHORITY OF CENTRAL MISSOURI</b>                           | <b><u>Unknown</u></b>              | <b><u>\$0</u></b>            | <b><u>\$0</u></b>            |

FISCAL IMPACT - Small Business

Small businesses that may utilize the Heartland Port Authority of Central Missouri may be impacted by this proposal.

FISCAL DESCRIPTION

This bill authorizes the Governor to sell, transfer, grant, convey, remise, release, and forever quitclaim all interest in specific properties, described in the bill, along with an easement, located in Cole County, Callaway County, St. Francois County, and Ste. Genevieve County.

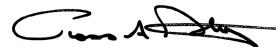
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General  
Department of Natural Resources  
Department of Corrections  
Department of Public Safety - Missouri National Guard  
Office of the Governor  
Department of Transportation  
Office of Administration



Julie Morff  
Director  
April 30, 2020



Ross Strobe  
Assistant Director  
April 30, 2020