

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3074-02
Bill No.: Truly Agreed To and Finally Passed SCS for HB 1330
Subject: Property, Real and Personal
Type: #Corrected
Date: June 4, 2020
 #Corrected to include a response from the Department of Corrections on page 7

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	Unknown to (Unknown)	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	Unknown to (Unknown)	\$0 or Unknown	\$0 or Unknown

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

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 2021	FY 2022	FY 2023
Local Government	Unknown	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal conveys several state properties and easements, 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 Fulton;
Section 4 - within the City of Farmington;
Section 5 - within the City of Farmington;
Section 6 - within Ste. Genevieve County
Section 7 - within the City of Moberly

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.

Officials from the **Department of Corrections (DOC)** state 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 \$0 to 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 Callaway County 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

ASSUMPTION (continued)

development of the land). If the port authority is developed and operates as planned, this may 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.

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

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.

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.

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:

ASSUMPTION (continued)

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.

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.

#Sections 7- conveyance of a parcel in Moberly (Randolph County):

#Officials from the **Department of Corrections (DOC)** state this state-owned property contains the Moberly Correctional Center wastewater treatment plant currently operated by DOC. This is the only wastewater treatment system for the Moberly Correctional Center.

#Passage of this bill may significantly impact the department's utility budget. After meeting with the City of Moberly, the approximate cost to the department could be \$625,000 annually if this bill passes. The department assumes that any financial terms of the conveyance would be negotiated with the recipient of the property prior to any conveyance occurring.

#**Oversight** assumes terms of the conveyance will be negotiated so that the DOC would not be financially harmed. Therefore, Oversight will not reflect a potential future negative impact to the DOC from the authorization of this conveyance.

ASSUMPTION (continued)

Oversight will assume all conveyances will occur in FY 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE			
<u>Loss</u> - value of the land described in Sections 1- 7 - to be conveyed and the cost of the conveyance	(Unknown)	\$0	\$0
<u>Revenue</u> - proceeds from the conveyance (if any)	\$0 or Unknown	\$0	\$0
<u>Savings</u> - cost of maintenance of the properties being conveyed (state no longer paying for maintenance)	\$0	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>Unknown to (Unknown)</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
HEARTLAND PORT AUTHORITY OF CENTRAL MISSOURI			
<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>
ESTIMATED NET EFFECT TO THE HEARTLAND PORT AUTHORITY OF CENTRAL MISSOURI	<u>Unknown</u>	<u>\$0</u>	<u>\$0</u>

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, Ste. Genevieve County and Randolph County.

The proposal contains an emergency clause for Sections 4 and 5 (Farmington, St. Francois County).

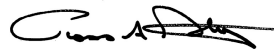
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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
June 4, 2020



Ross Strope
Assistant Director
June 4, 2020