

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2763-02  
BILL NO.: SB 624  
SUBJECT: Missouri-St. Louis Metropolitan Airport Authority  
TYPE: Original  
DATE: January 25, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	\$0	\$0	\$0

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Transportation (MoDOT)** assume that there would be no fiscal impact to the department as a result of this proposal. MoDOT officials note that the proposal could adversely affect federal and state funding for airport development due to confusion over which entity controls the airports (including St. Louis Lambert International Airport and the Spirit of St. Louis Airport).

Officials of the **City of St. Louis** indicate that a legal interpretation from the City Counselor's office indicates that the proposal would transfer responsibility for all bonded indebtedness and other obligations of Lambert Airport to the state, as the Missouri-St. Louis Metropolitan Airport Authority is a state agency. Figures provided indicated that the airport had estimated outstanding bonded indebtedness and construction liabilities of approximately \$458.2 million, as well as possible costs for nuclear waste clean-up under federal Superfund legislation estimated at \$325 million.

**Oversight** notes that the effective date of the proposal is January 1, 2004; therefore, any potential fiscal impact would not be effective until after that date. Oversight also notes that the proposal states that "the authority shall honor all bonds, debts, outstanding obligations and contracts of any airport or airport authority affected by this section." However, RSMo 305.520 currently allows the Missouri-St. Louis Metropolitan Airport Authority to assume and pay or guarantee the payment of the principal and interest of any bonds secured by any airport in the Missouri-St. Louis metropolitan area. It further states that such an assumption or guaranty does not constitute a debt of the Authority or the state of Missouri within the meaning of the constitution and state law. Therefore, Oversight assumes there would be no state fiscal impact as a result of this provision. However, this assumption is also based on revenues earned by the airport being adequate to service all outstanding indebtedness and obligations. If airport revenues are not adequate to service the outstanding debt, then the state could potentially be required to honor the debt in order to maintain the state's current bond rating.

The provision in the proposal that would eliminate the current statutory prohibition against the general assembly appropriating funds to the Missouri-St. Louis Metropolitan Airport Authority would also not be effective until January 1, 2004 and would therefore have no fiscal impact during the fiscal note period. Fiscal notes for previous similar legislation have reflected potential annual costs (subject to appropriation) of \$150,000, representing personal service, fringe benefits, and equipment and expense costs for the Authority.

	FY 2001	FY 2002	FY 2003
<u>FISCAL IMPACT - State Government</u>			
	\$0	\$0	\$0
	FY 2001	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>			
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposal would transfer the operation of any and all international airports located in Missouri within fifty miles of the City of St. Louis to the Missouri-St. Louis Metropolitan Airport Authority. The ownership of any such airport would not change. The Authority would be required to honor all bonds, debts, outstanding obligations and contracts of any such airport. The membership of the Authority would also be revised.


The proposal would remove the current statutory prohibition against the general assembly appropriating state moneys to the Missouri-St. Louis Metropolitan Airport Authority.

The legislation is to be effective January 1, 2004.

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 Transportation  
City of St. Louis

  
Jeanne Jarrett, CPA  
Director  
January 25, 2000