

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0334-02
Bill No.: SB 469
Subject: Aircraft & Airports; Boards, Commissions, Committees, Councils; Saint Louis;
 Transportation
Type: Original
Date: March 13, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	\$0	(\$15,080)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	(\$15,080)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation (MoDOT)** assumes the proposal will have no fiscal impact on the Department. MoDOT notes that the proposal could adversely affect federal and state funding for airport development, as there may be confusion regarding the actual control of the airports (Lambert International and the Spirit of Saint Louis Airports).

Officials with the **City of Saint Louis (STL)** indicated that according to a legal interpretation from the City Counselor’s office, 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 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. Oversight further 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 be effective January 1, 2004. Officials with the Lambert-St. Louis International Airport indicate expenses for the board approximate \$13,800 annually. Oversight has adjusted this for a 3% inflation rate to FY 2004, for a cost of \$15,080.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004 (6 mo.)
GENERAL REVENUE FUND			
<u>Cost—Mo./St. Louis Airport Authority</u>			
Board Expenses	<u>\$0</u>	<u>\$0</u>	<u>(\$15,080)</u>

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

Under this act, The Missouri-St. Louis Metropolitan Airport Authority is given the responsibility for operation of the Lambert-St. Louis International Airport as of January 1, 2004. The existing Airport Authority members' terms will have expired by the time the authority assumes responsibility for operation of the airport in 2004. The City of St. Louis shall continue to own the airport. The members of the Authority shall represent St. Louis City and St. Louis, Jefferson, Franklin and St. Charles Counties on the basis of population, one member for each 130,000 residents. The authority shall honor all bonds, debts and employee pension plans of the former airport authority. This act also states that the City of St. Louis may continue taxing businesses conducting activities within its airport. This act is similar to SB 624 (2000).

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 Saint Louis
Lambert-St. Louis International Airport



Jeanne Jarrett, CPA
Director

March 13, 2001