

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1970-01
Bill No.: SB 506
Subject: Farmland Protection Act
Type: Original
Date: February 28, 2001

FISCAL SUMMARY

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

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	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture, Department of Economic Development** and the **Department of Conservation** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Natural Resources** assume the proposed legislation does not affect the department's authority. Therefore, the proposal would have no direct fiscal impact on the department.

In response to similar legislation (HB 581), officials from **Cole County** noted that they do not contemplate the county itself losing revenues as a result of this legislation; however, the Cole County Sewer District may, at some time, be adversely affected in a significant fashion. The prohibition against the owner being charged "based on the total cost of running the water main or sewer line to or across the owner's real property" will result in a large loss of revenue to whomever undertakes such a venture. The period of abeyance without interest will result in another significant loss of revenue to whomever is left to bear the costs.

In response to similar legislation (HB 581), officials from the **Little Blue Valley Sewer District** and the **Callaway County Water District #1** assume the proposed legislation would have no fiscal impact on their agencies.

In response to similar legislation (HB 581), officials from the **Cole County Water District #1** assume the proposed legislation could result in unknown costs and also could result in the loss of interest on the money used to finance the extensions.

Officials from **Platte County** assume the proposed legislation would have no fiscal impact on their county.

Oversight assumes this proposal changes general law regarding public utilities and lands that are located in un-platted areas and used for agriculture or residential purposes or both. Oversight assumes that public utility companies and local governments will have a delay in recovering costs of running utilities into affected areas. Oversight assumes that local governments will have to consider not being able to recover costs of expanding services when crossing farmlands. With exception to Public Water Supply Districts, Oversight assumes the act of expanding services into agricultural areas to be discretionary. Oversight assumes the cost of abeyance to be (unknown).

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost - Local Government</u>			
Abeyance of cost of utility services	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

Small businesses which are family farms could be affected by the provisions of this proposal.

DESCRIPTION

This bill is to be known as the Farmland Protection Act. The provisions of the bill apply to tracts of real property comprised of 10 or more contiguous acres, used as agricultural or single family residential property or both, and not located in a platted subdivision.

The purpose of the bill is to protect agricultural, horticultural, and forestry land; promote continued rural economic viability; promote quality of life; promote continued viability of those businesses dependent on providing materials, equipment, and services to agriculture, horticulture, and forestry; and protect farmland from negative impacts.

The bill requires the state or any political subdivision to hold sewer and water assessments in abeyance, without interest, until improvements on property covered by the bill are connected to the sewer or water system. Upon connection to the sewer or water system the owner is to pay an amount equal to the proportionate charge for the number of system lines connected to improvements on the property.

The provisions of the bill do not apply to rural water supply districts, except that a rural water supply district is not to require payment from landowners whose property is crossed to service another tract of land until the landowner requests connection to the rural water supply district. Persons purchasing property located within one-half mile of property used for agricultural purposes are to be given a notice of that prior to the final sale. The bill specifies the language of the notice.

DESCRIPTION (continued)

The bill also requires that property subject to the Farmland Protection Act is not to be taken by any political subdivision of the state by eminent domain except after an open public hearing.

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 Agriculture
Department of Conservation
Department of Economic Development
Department of Natural Resources
Callaway County Water District #1
Cole County
Cole County Water District #1
Little Blue Valley Sewer District
Platte County



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Director

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