

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4372-05  
Bill No.: HCS for HB 1696  
Subject: General Assembly; Property, Real and Personal; Governor and Lieutenant Governor  
Type: Original  
Date: January 29, 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>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE 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>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 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>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

- Section 1 - Within the City of Farmington (underlying bill);
- Section 2 - Permanent easement for maintenance and construction in St. Francois County;
- Section 3 - Within the City of Rolla to Edgewood Investments;
- Section 4 - Within the City of Kirksville;
- Section 5 - Within Macon County;
- Section 6 - Within the City of St. Louis;
- Section 7 - Within Wyandotte County, KS (pump house tract);
- Section 8 - Within Pike County to MoDOT for \$1;
- Section 9 - Within Iron County from DNR to MoDOT for \$1;
- Section 10 - Within the City of Moberly; and
- Section 11 - Within St. Francois County

Sections 1 and 2 have an emergency clause.

Officials from the **Office of Administration, Division of Facilities Management, Design and Construction (OA)** state 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 described in Section 1 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 Section 1 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 Section 1.

ASSUMPTION (continued)

Officials from the **Department of Transportation** and the **Department of Natural Resources** each assume the proposal would not have a fiscal impact on their respective departments.

In response to similar versions of the bill, officials from the **Office of the Attorney General** and the **Office of the Governor** each assumed no fiscal impact to their respective agencies.

**Oversight** notes that according to OA, the property described in Section 7 as Kansas City, Wyandotte County, Kansas, described as a Pump House, is a pumping station located in Kansas. The State of Missouri does not technically have a deed to the property, but has “interest” in the pumping station that may transfer to an individual owner.

**Oversight** also notes that the size, value, uses and estimated cost to maintain the properties described in this proposal is unknown. Oversight will reflect a potential unknown amount of proceeds from the conveyances and an unknown value of the land being conveyed.

Oversight will assume all conveyances in the bill will occur in FY 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>GENERAL REVENUE FUND</b>			
<u>Revenue</u> - Conveyance of property - potential proceeds (if any)	\$0 to Unknown	\$0	\$0
<u>Savings</u> - cost of maintenance of the property being conveyed	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - Conveyance of property - value of property & cost of transaction	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</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>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**HIGHWAY FUNDS**

Gain - Conveyance of property - consideration (\$1 each for two parcels) assumed to be less than value of parcels	\$0 or <u>Unknown</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT TO HIGHWAY FUNDS</b>	<b>\$0 or <u>Unknown</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses attempting to develop in the Farmington Industrial Park could be impacted by this proposal.

FISCAL DESCRIPTION

This bill authorizes the Governor to convey several real properties or easement interests located throughout the state. The Commissioner of Administration may set reasonable terms for such conveyances and the Attorney General shall approve the form of any instrument of conveyance.

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

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SOURCES OF INFORMATION

Office of the Governor  
Office of Administration  
Office of the Attorney General  
Farmington Daily Journal Online article



Julie Morff  
Director  
January 29, 2020



Ross Strobe  
Assistant Director  
January 29, 2020