

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4954-01
Bill No.: HB 1723
Subject: Easements and Conveyances; Cities, Towns and Villages; Counties; Roads and Highways
Type: Original
Date: January 4, 2016

Bill Summary: This proposal prohibits state agencies, counties or municipalities from requiring property owners whose property abuts a state, county or municipal right-of-way or easement to maintain or pay for the maintenance of the right-of-way or easement.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	(Unknown, Greater than \$100,000)	(Unknown, Greater than \$100,000)	(Unknown, Greater than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation**, the **Missouri Department of Conservation**, the **Department of Natural Resources**, and the **Office of Administration - Facilities Management, Design and Construction** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **City of Kansas City** state that the City has approximately 4,500 lane miles of streets, 2,200 miles of sidewalks and 500 to 1,000 miles of unimproved residential streets. If the City is required to mow the grass of each of their right-of-ways and remove snow from the sidewalks it would cost them an additional \$588,000 to \$970,000 annually. In addition, requiring the City to maintain the pipelines and ditches of the unimproved streets would cost approximately \$75 million for one replacement cycle, which is estimated at 20 years.

These costs may be mitigated to some degree by voluntary compliance of people shoveling their own snow or mowing their grass, but since there are people who will not take care of the issues at their property now, it is assumed more will refuse when there is no longer a legal requirement.

Oversight assumes this will create additional costs to many if not all counties and municipalities. These costs to the local political subdivisions could be substantial depending on the definition of the “easement” in the proposal. For fiscal note purposes Oversight will assume a negative Unknown, greater than \$100,000, to all local political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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LOCAL POLITICAL SUBDIVISIONS

<u>Costs</u> - Maintenance of all right-of-way and easements.	(Unknown, Greater than \$100,000)	(Unknown, Greater than \$100,000)	(Unknown, Greater than \$100,000)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown, Greater than \$100,000)</u>	<u>(Unknown, Greater than \$100,000)</u>	<u>(Unknown, Greater than \$100,000)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal prohibits a state agency, county, or municipality from requiring a property owner whose property abuts a state, county, or municipal right-of-way or easement to maintain or pay for the maintenance, including mowing, of the right-of-way or easement.

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 Administration
Department of Transportation
Missouri Department of Conservation
Department of Natural Resources
City of Kansas City



Mickey Wilson, CPA
Director
January 4, 2016

Ross Strobe
Assistant Director
January 4, 2016