

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5785-02
Bill No.: Perfected HCS for HB 2187
Subject: Natural Resources, Department of; Property, Real and Personal.
Type: Original
Date: February 17, 2016

Bill Summary: This proposal requires the Department of Natural Resources to sell certain lands acquired through environmental settlement funds.

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 7 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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Natural Resources (DNR)** state their Division of State Park's (DSP) acquired approximately 4,167 acres in Oregon County on January 15, 2016. Visitors are estimated at 58,000 per year. If the state is forced to sell, DNR may need to refund the federal treasury settlement account approximately \$8 million.

Neither State nor Federal funds held in the State Treasury were used to purchase this property.

Oversight notes the recent purchase by DNR is the result of a 2007 settlement in which ASARCO agreed to pay Missouri for environmental damages in Missouri's lead mining counties. DNR and the U.S. Fish and Wildlife Service are acting as trustees for the settlement proceeds.

Oversight will not show the fiscal impact of the estimated proceeds from the sale of the properties in Oregon County because the net impact to the State's total assets is \$0. Oversight assumes it is the sale of land, an asset, in exchange for cash (sale proceeds) - also an asset.

Oversight will make the assumption the proceeds received from the sale of property would go to General Revenue because a segregated fund has not been established for these proceeds. According to the bill, any proceeds from the sale will be immediately be distributed as a grant to the Southeast Missouri Regional Planning and Economic Development Commission to be used for restoration activities. Oversight will assume future use or spending of these funds would require further action by the General Assembly to appropriate these funds; therefore, Oversight will not reflect this grant in the fiscal note.

Officials at the **Department of Transportation (MoDOT)** assume this proposal could have a negative fiscal impact on their organization.

Paragraph 3 is written to include a deed restriction on property conveyed that would require the property to "never be sold to, leased, or otherwise controlled by a state or federal agency". This restriction would hinder our ability to acquire land for future road improvement projects if the suggested deed restriction were in place.

If this legislation were to pass and we make an assumption that there is one project in each of the five counties that because of the deed restriction would require us to relocate a route 1 mile, in order to perform the improvements, it would result in a \$5 million dollar fiscal impact. One mile of road is estimated to cost \$1 million.

ASSUMPTION (continued)

Oversight verified with MoDOT that there are no current road plans that would be impacted by this proposal and that their response reflects a potential impact if future road plans are impacted. Therefore, Oversight will assume the proposal will not have a direct fiscal impact on MoDOT within the scope of the fiscal note.

Officials at the **Office of Administration - Budget and Planning (BAP)** assume this proposal would not have an impact on their organization but defers to other agencies regarding its impact on their respective organizations.

Officials at **BAP** notes that if proceeds from land sales required by the legislation are deposited into the state treasury, such proceeds would increase Total State Revenue.

Officials at the **Department of Mental Health** and **Department of Social Services** each defer to Office of Administration.

Officials at the **Office of Secretary of State, Attorney General's Office, Department of Agriculture, State Auditor's Office, Department of Conservation, Department of Corrections, Department of Elementary and Secondary Education, Department of Public Safety - Gaming Commission, Governor's Office, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Joint Committee on Public Employee Retirement, Lieutenant Governor's Office, Department of Labor and Industrial Relations, Lottery Commission, Lieutenant Governor's Office, Missouri Ethics Commission, Missouri Consolidated Health Care Plan, Missouri House of Representatives, Missouri State Employees' Retirement System, Office of Prosecution Services, State Public Defender's Office, Office of Administration - Administrative Hearing Commission, Department of Public Safety - Capitol Police, Department of Public Safety - Fire Safety Division, Department of Public Safety - Highway Patrol, Department of Public Safety - State Emergency Management Agency, Department of Public Safety - Veterans Commission, Department of Revenue, Missouri Senate, Department of Economic Development, Office of State Courts Administrator, State Tax Commission, and State Treasurer's Office** each assume this proposal would not have a fiscal impact on their respective organizations.

In response to a previous version, officials at the **Legislative Research** and **State Highway Employees Retirement System** each assumed the proposal would not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

In response to a previous version, officials at the **Department of Economic Development** deferred to the Office of Administration to make an assumption about the fiscal impact of this proposal.

Oversight will not show an impact to local political subdivisions in Oregon County, either increase property tax with the state no longer holding an interest in land, or a potential loss of tourism-related revenue as mentioned by DNR. Oversight considers these indirect impacts.

House Amendment 1:

Officials at the **Department of Transportation** state the amendment does not change their response to the previous version.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration, Missouri Senate, Department of Revenue, Office of Prosecution Services, Missouri Consolidated Health Care Plan, Governor's Office, State Auditor's Office, Department of Elementary and Secondary Education, Department of Agriculture, Department of Safety - Fire Safety Division, Department of Safety - Veteran's Commission, Lottery Commission, Department of Safety - Highway Patrol, State Treasurer's Office, Office of Administration - Administrative Hearing Commission, Office of Administration - Facilities Management, Design and Construction, Missouri Ethics Commission, Missouri State Employees' Retirement System, and Office of State Courts Administrator** each assume no fiscal impact from this amendment to their respective organizations.

<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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill requires the Department of Natural Resources and all other state departments, agencies, or entities to sell at public auction any property interest to land in Oregon County purchased on or before August 28, 2016 through legal settlement funds administered by the Department of Natural Resources. If there is no purchaser, the property will revert to the ownership of Oregon county government.

After August 26, 2016, the bill also prohibits the department and all other state departments, agencies, or entities from purchasing property interest in Oregon County. Any taxpayer in the state has standing to enforce these requirements and will be entitled to reasonable attorney's fees.

This proposal contains a severability clause.

This proposal expires on August 28, 2017.

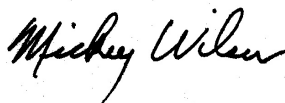
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Office of Administration - Facilities Management, Design and Construction
Office of Administration - Budget and Planning
Department of Economic Development
Department of Agriculture
Office of Attorney General
State Auditor's Office
Department of Conservation
Department of Corrections
Department of Elementary and Secondary Education
Department of Public Safety - Gaming Commission
Governor's Office
Department of Health and Senior Services
Department of Higher Education
Missouri House of Representatives
Department of Insurance, Financial Institutions, and Professional Registration
Joint Committee on Public Employee Retirement

SOURCES OF INFORMATION (continued)

Legislative Research
Lieutenant Governor's Office
Department of Labor and Industrial Relations
Lottery Commission
Missouri Ethics Commission
Missouri Consolidated Health Care Plan
Department of Mental Health
State Highway Employees Retirement System
Missouri State Employees' Retirement System
Office of Prosecution Services
State Public Defender's Office
Office of Administration - Administrative Hearing Commission
Department of Public Safety - Capitol Police
Department of Public Safety - Fire Safety Division
Department of Public Safety - Highway Patrol
Department of Public Safety - State Emergency Management Agency
Department of Public Safety - Veterans Commission
Department of Revenue
Department of Transportation
Office of Secretary of State
Missouri Senate
Department of Social Services
Office of State Courts Administrator
State Tax Commission
State Treasurer's Office



Mickey Wilson, CPA
Director
February 167 2016

Ross Strope
Assistant Director
February 17, 2106