

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0243-01
Bill No.: HB 991
Subject: Property, Real and Personal; Eminent Domain and Condemnation; Civil Procedure
Type: Original
Date: April 11, 2017

Bill Summary: This proposal allows a property owner to present evidence and argue the value of the future use of the property to be taken in a condemnation proceedings.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
State Road Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume this proposal adds the definition of Century Value as subdivision 1 to Section 523.001. The creation of a Century Value will have an adverse fiscal impact on the Department's project development costs to the extent that such properties must be acquired or avoided. If passed, this legislation will apply prospectively and will also apply to existing cases that are not reduced to a final, unappealable judgment. The negative impact is unknown.

Officials at the **City of Kansas City** assume this legislation could have a negative fiscal impact from this proposal.

Officials at the **Office of Administration** assumes this proposal could potentially have a fiscal impact if the State becomes involved in a condemnation proceeding, as it could affect the value paid for a property as a result of condemnation. However, FMDC is not aware of any potential real estate transaction that would fall into this category, therefore, no fiscal impact.

Officials at the **Office of the State Courts Administrator**, the **Department of Economic Development** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **Callaway County Commission** assume no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018	FY 2019	FY 2020
	(10 Mo.)		
STATE ROAD FUND			
<u>Cost - MoDOT - project development costs on properties</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - Local Political Subdivisions - project development costs on properties	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

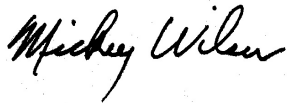
This bill adds a definition for "century value," which applies to real property that has been owned within the same family for at least 100 years, as it relates to condemnation proceedings, and it specifies that century value shall be 100% of fair market value. The bill further specifies that just compensation for condemnations of such properties shall be an amount equivalent to the sum of fair market value and century value.

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

L.R. No. 0243-01
Bill No. HB 991
Page 5 of 5
April 11, 2017

SOURCES OF INFORMATION

Missouri Department of Transportation
City of Kansas City
Office of Administration
Office of the State Courts Administrator
Department of Economic Development
State Tax Commission
Callaway County Commission



Mickey Wilson, CPA
Director
April 11, 2017

Ross Strobe
Assistant Director
April 11, 2017