

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3733-01
BILL NO.: HB 1945
SUBJECT: Economic Development, Natural Resources Department
TYPE: Original
DATE: February 22, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue *	\$0	(\$2,000,000)	(\$2,000,000)
Property Reuse Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds *	\$0	(\$2,000,000)	(\$2,000,000)

* **Subject to appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	\$0	\$2,000,000	\$2,000,000

* **Subject to appropriation**

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state this proposal expands the property reuse fund to include brownfield site investigations by municipalities and counties, and urges a two million dollar appropriation for that purpose (phase I site assessments). The DED assumes the funding to be appropriated is an unknown, but would not be appropriated until FY 2002.

Officials from the **Department of Natural Resources (DNR)** state this proposal provides grant funds to municipal and county governments to conduct Phase I property assessments. The Phase I assessment is an initial assessment in determining whether environmental concerns exist at a site. The legislation allows for the General Assembly to appropriate two million dollars annually for this grant program

The DNR states this legislation expands the property reuse fund to include brownfield site investigations by municipalities and counties. If contamination was found after conducting a Phase I assessment, the applicant may choose to enroll in the DED Brownfield program. The proposed legislation could potentially result in additional sites per year enrolling in the DNR Voluntary Cleanup Program (VCP). If the number of brownfield sites expanding their project exceeds DNR's expectations, there may be a need to request additional resources.

The DNR also states there is not a requirement to enroll with the VCP in the section of the Brownfields law relating to grants, found in section 447.706 RSMo., which is the section being amended by this proposed legislation. Therefore, eligibility for the grant for the Phase I site assessment would not require enrollment with the VCP. At this time the DNR does not anticipate the need to request additional resources as a result of this proposal.

The **State Treasurer's Office** assumes this proposal will not fiscally impact their agency

Oversight assumes for purposes of this fiscal note that the General Assembly will appropriate \$2,000,000 to the Property Reuse Fund in both FY 2002 and FY 2003. Oversight also assumes that all of the money appropriated to the Property Reuse Fund will be spent on local governments, assisting them with their phase I site assessments.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Costs- General Revenue Fund</u>	\$0	(\$2,000,000)	(\$2,000,000)
Appropriations to the Property Reuse Fund			

--SUBJECT TO APPROPRIATION--

PROPERTY REUSE FUND

<u>Transfer</u> from the General Revenue Fund	\$0	\$2,000,000	\$2,000,000
<u>Loss</u> - Transfer to municipal or county government to assist in conducting phase I site assessments.	\$0	(\$2,000,000)	(\$2,000,000)

ESTIMATED NET EFFECT ON PROPERTY REUSE FUND	\$0	\$0	\$0
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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Municipal or County Government

Grants from State's Property Reuse Fund to conduct phase I site assessments.	\$0	\$2,000,000	\$2,000,000
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FISCAL IMPACT - Small Business

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

DESCRIPTION

Under current law, the Department of Economic Development may provide grants to cities and counties to redevelop abandoned property in cooperation with a prospective private purchaser. This bill allows these grants to be used for Phase I site assessments under the Voluntary

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DESCRIPTION (continued)

Remediation Program before a prospective private purchaser has been identified. The bill also calls for the General Assembly to appropriate \$2 million annually for Phase I site assessment grants.

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 Economic Development
Department of Natural Resources
State Treasurer's Office



Jeanne Jarrett, CPA
Director
February 22, 2000