

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5125H.02I
Bill No.: HB 2443
Subject: Eminent Domain and Condemnation; Courts; Civil Procedure; Judges; Juries
Type: Original
Date: March 29, 2022

Bill Summary: This proposal modifies provisions relating to condemnation proceedings.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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

*Officials from the Missouri Department of Transportation (MoDOT) assume, depending upon the condemnation proceedings, the savings, if any, could be up to \$1 million per year.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation (MoDOT)** state any condemnator, MoDOT included, has the potential to see a cost savings if the property that otherwise would have been subject to heritage value no longer qualifies because it falls within one of the listed exceptions in this proposal. **Oversight** does not have information to the contrary and therefore, Oversight will reflect a \$0 to unknown savings for this proposal.

Oversight inquired MoDOT regarding the cost savings to property that no longer qualifies as an exception for heritage value. MoDOT states the cost savings could be up to \$1 million per year. **Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MoDOT.

Officials from the **Office of Administration - Budget and Planning**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Natural Resources**, the **Missouri Department of Conservation**, the **Office of Administration**, the **Office of the State Courts Administrator**, the **State Tax Commission**, the **City of Claycomo** and the **City of Springfield** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	<u>FY 2023 (10 Mo.)</u>	<u>FY 2024</u>	<u>FY 2025</u>
STATE ROAD FUND			
<u>Savings</u> – MODOT – potential cost savings to property that no longer qualifies as an exception for heritage value	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

There could be a direct fiscal impact to small businesses where heritage value applies to a piece of property as a result of this proposal.

FISCAL DESCRIPTION

Currently, if a plaintiff or defendant in condemnation proceedings files for an exception to the commissioners' report and a jury trial of exceptions occurs, the circuit judge presiding over the proceedings must apply certain provisions, specified in statute, and must determine whether a homestead taking has occurred and must determine whether heritage value is payable. As specified in this bill, if a jury trial of exceptions occurs and the circuit judge presiding over the condemnation proceeding has determined that a homestead taking has occurred or heritage value is payable, then the judge must apply the provisions specified in statute to increase the jury verdict as appropriate. A circuit judge who determines that heritage value is payable must not increase the commissioners' award or jury verdict to provide for the additional compensation due where heritage value applies if the plaintiff moves for exclusion of the heritage value and shows, after an evidentiary hearing by a preponderance of the evidence, that the property taken has been abandoned, has been declared a nuisance and been ordered to be vacated, has been demolished or repaired after notice and a hearing, or has been shown to have materially and negatively contributed to a blighted area.

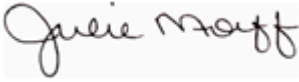
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

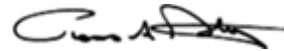
Missouri Department of Transportation
 Office of Administration
 Budget and Planning
 Department of Commerce and Insurance
 Department of Economic Development
 Department of Natural Resources
 Missouri Department of Conservation
 Office of Administration
 Office of the State Courts Administrator
 State Tax Commission

L.R. No. 5125H.021
Bill No. HB 2443
Page 5 of 5
March 29, 2022

City of Claycomo
City of Springfield



Julie Morff
Director
March 29, 2022



Ross Strope
Assistant Director
March 29, 2022