

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0233-01
Bill No.: SB 39
Subject: Motor Carriers; Transportation; Roads and Highways
Type: Original
Date: February 5, 2007

Bill Summary: This proposal allows common household goods carriers to request rate adjustments, makes certain indemnity agreements in motor carrier transportation contracts unenforceable, and subjects intrastate household good movers to motor carrier regulations in certain areas.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Road Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume the number of carriers regulated for household goods moving would increase due to the large number of commercial zone only movers operating in St. Louis, Kansas City and Springfield among others.

By increasing the number of motor carriers and their motor carrier vehicles within the Missouri Highway and Transportation Commission's (MHTC) regulatory jurisdiction, this legislation would generate additional license fee revenues for MHTC from the sale of additional regulatory licenses to these carriers pursuant to section 390.136, RSMo. The positive fiscal impact for the additional license fees is unknown.

This bill would also result in a significant number of additional motor carriers applying to MHTC for operating authority certificates and permits to transport household goods, because the changes to section 390.030 would eliminate the exemptions currently applicable to motor vehicles operated wholly within a single municipality, or between contiguous municipalities, or within a commercial zone as defined in § 390.020, RSMo, or a commercial zone as defined by an administrative order issued under § 390.041(4), RSMo. This increase in the number of household goods motor carrier operating authority applications would place an undetermined additional workload on MoDOT's Motor Carrier Services Division to process these new applications, and to enforce the requirements of chapter 390, RSMo, with reference to these formerly exempt motor carriers. The cost to implement these provisions is unknown. However, MoDOT does not believe the cost to implement this legislation will be more than the revenue received.

Officials at MoDOT assume the total fiscal impact of this legislation is unknown.

Officials at the **Office of the State Courts Administrator** and **Department of Corrections** assume no fiscal impact from this proposal.

Oversight assumes that there will be an increase in the revenue generated from the issuance of the additional license fees and that the revenue generated will be greater than the cost to MoDOT to implement the proposal. The fiscal impact is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
ROAD FUND			
<u>Revenue</u> - Department of Transportation			
Additional license fee revenues	Unknown	Unknown	Unknown
<u>Costs</u> - Department of Transportation			
Additional workload because of increase in motor carrier applications	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON ROAD FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The bill would impact small businesses by making MHTC's licensing and regulatory requirements for motor carriers under Chapter 390, RSMo, applicable to an unknown number of small businesses that operate as motor carriers of household goods, using motor vehicles that are currently exempted from the provisions of chapter 390, RSMo, by 390.030.1(8) & (10), RSMo. These exemptions currently apply to vehicles municipalities, or within a commercial zone.

Officials at MoDOT assume the total fiscal impact of this legislation is unknown.

FISCAL DESCRIPTION

This act makes indemnity agreements in motor carrier transportation contracts which purport to indemnify a party against loss from negligence or intentional acts void and unenforceable. Motor carrier transportation contracts shall not include Uniform Intermodal Interchange and Facilities Access Agreements.

FISCAL DESCRIPTION (continued)

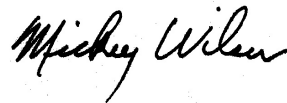
This act allows common household goods common carriers to file applications to the State Highways and Transportation Commission for approval of rates to reflect increases and decreases in the carrier's costs. The filing of the applications shall be governed by similar rules that govern rate adjustments requested by electrical gas or water companies. The applications shall be made in such form as the commission determines.

The act also repeals the exemption that currently allows intrastate household goods movers to operate wholly in municipalities, between contiguous municipalities, or commercial zones without having to obtain MoDOT operating authority. Currently, household movers are exempt from the rules and regulations of Chapter 390, RSMo, if their operations are restricted to those described areas. The repeal of this exemption will start January 1, 2008.

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 the State Courts Administrator
Department of Corrections



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Director
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