

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0346-06
Bill No.: HCS for SCS for SB 45 & 39
Subject: Motor Carriers; Transportation Department; Roads and Highways
Type: Original
Date: May 4, 2007

Bill Summary: This proposal allows common household goods common carriers to request rate adjustments from the state highways and transportation commission and repeals exemption for intrastate household good movers who restrict their operations to 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 6 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

Sections 226.527, 226.530 and 226.580

Officials at the **Missouri Department of Transportation (MoDOT)** assume this bill authorizes the Missouri Highway and Transportation Commission (MHTC) to void outdoor advertising permits if: (1) there was a misrepresentation of a material fact by an applicant on an application; (2) MHTC determines a change was made to a conforming sign by its owner such that it is illegal; or (3) a substantial change has been made to a nonconforming sign by the owner such that the sign's nonconforming status has changed contrary to state administrative rules. The bill specifies that under the above referenced circumstances, the sign owners are not entitled to compensation by MHTC.

The bill also allows MHTC to void a permit which was erroneously issued by MoDOT staff in violation of any state law or administrative rule. Under those circumstances, the sign owner is entitled to compensation from MHTC under the terms of section 226.530. MoDOT believes that outdoor advertising applicants and MoDOT will comply with this law, therefore, there should be no fiscal impact.

Section 301.444 Special Plates

Officials at the **Department of Revenue** assume that there is no fiscal impact from this proposal.

Section 387.075 and 390.030 Household goods carriers

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

ASSUMPTION (continued)

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 **Missouri Highway Patrol** 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.

Section 390.021 Unified Carrier Registration Act

In response to similar legislation filed this year (HB 744) the following groups responded as follows:

Officials at the **Missouri Department of Transportation (MoDOT)** assume the Unified Carrier Registration (UCR) Agreement was established in the federal UCR Act of 2005, as part of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59, August 10, 2005). The UCR Act repeals and replaces the federal Single State Registration System (SSRS), the current system under which the states operate, effective January 1, 2007.

Upon the January 1, 2007 repeal of SSRS, states operating under SSRS will be prohibited from continuing to collect interstate regulatory license fees and regulatory license fees from interstate motor carriers that are exempted from SSRS, regardless of whether or not the state has joined the UCR Agreement. This legislation is necessary to allow the State to participate in the new Federal registration act "UCR" and continue to collect fees. If Missouri does not pass this legislation, we will be prohibited from future participation.

Passage of this section will allow MoDOT to continue to collect an estimated \$2,342,000 in registration fees. If this legislation does not pass, Missouri forfeits the registration fees to another state who does participate in UCR. MoDOT assumes no fiscal impact as long as this

ASSUMPTION (continued)

legislation passes. If not the department will have a \$2,342,000 loss in registration fees annually

Oversight assumes that the state will comply with federal law and not lose the annual registration fee revenues.

Sections 302.720, 390.372

No agency reported having a fiscal impact from these sections.

| <u>FISCAL IMPACT - State Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|--|-----------------------|-----------------------|-----------------------|
| ROAD FUND | | | |
| <u>Revenues - Department of Transportation</u> | | | |
| Additional license fee revenues | Unknown | Unknown | Unknown |
| <u>Costs - Department of Transportation</u> | | | |
| 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

HOUSEHOLD COMMON GOODS CARRIER - 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 (Section 387.075).

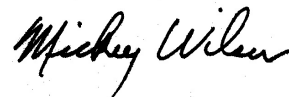
The act also repeals the exemption that currently allows intrastate household goods movers to operate wholly in municipalities, between contiguous municipalities, or commercial zones without having to obtain MoDOT operating authority. Currently, household movers are exempt from the rules and regulations of Chapter 390, RSMo, if their operations are restricted to those described areas. The repeal of this exemption will start January 1, 2008 (Section 390.030).

MOTOR CARRIER TRANSPORTATION INDEMNITY PROVISIONS - 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 (section 390.372).

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
Department of Revenue
Missouri Highway Patrol
Office of the State Courts Administrator



Mickey Wilson, CPA
Director
May 4, 2007