

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5487-05
Bill No.: HCS for SB 701
Subject: Agriculture Department; Emergencies; Highway Patrol; Motor Fuel;
Type: Original
Date: May 3, 2012

Bill Summary: This proposal allows certain motor vehicles to drive on public highways with dyed fuel during states of emergencies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Environmental Radiation Monitoring	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Vehicle Revolving Fund	(\$2,963)	(\$2,963)	(\$2,963)
Highway Fund	(\$18,369)	(\$18,369)	(\$18,369)
Total Estimated Net Effect on <u>Other</u> State Funds	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Federal Fund	(\$773)	(\$773)	(\$773)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$773)	(\$773)	(\$773)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, Department of Corrections, and Department of Insurance, Financial Institutions and Professional Registration** assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version to this proposal, officials from the **Department of Agriculture and Office of Prosecution Services** assumed the proposal would have no fiscal impact on their organization.

In response to a previous version to this proposal, officials from the **Department of Transportation** concur with Department of Revenue regarding any possible fiscal impact from this legislation.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crime regarding the operation of off road vehicles - new class C misdemeanors.

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

ASSUMPTION (continued)

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

In response to a similar proposal from this year, HB 1640, officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization. BAP officials noted the following.

Section 260.392

This provisions would exempt certain controlled shipments from paying fees into the Environmental Radiation Monitoring Fund and undergoing certain inspections. This would reduce state revenues.

Officials from the **Department of Health and Senior Services (DHSS)** noted that this proposal would make certain shipments exempt from transport fee provisions of in current state law. DHSS defers to the Department of Natural Resources for an estimate of the revenue reduction to the Environmental Radiation Monitoring Fund.

The proposal would also appear to exempt these shipments from a radiological safety inspection once they enter Missouri if they passed the North American Standard Level VI inspection at the point of origin, unless such inspection is determined to be necessary at the discretion of state safety resources. These provisions could have an unknown impact on the department's ability to meet other current requirements for "Inspections, escorts, and security for waste shipment and planning".

Currently, all HRCQ shipments coming through the state are escorted by the Missouri State Highway Patrol (MSHP) to a secure location then given a "radiological safety inspection" at that location by DHSS staff. MSHP then continues to escort the shipment to the state line.

Costs for this program are supported by the Environmental Radiation Monitoring Fund. In FY 2012 to date, DHSS has incurred expenses of \$36,783; a majority of this cost was for inspections but approximately \$5,500 was spent on developing training.

ASSUMPTION (continued)

DHSS officials estimated that costs for personal services, training, and equipment for future fiscal years would increase to an estimated \$100,000 as shipments increase and required training of state and local emergency responders and health officials is implemented.

Officials from the **Department of Natural Resources** state the proposed changes to Sections 260.392.1(3) and 260.392.2 would exempt all Highway Route Controlled Quantity (HRCQ) radioactive shipments from the current fee. This fee is projected to account for approximately 69% of the revenues to the Environmental Radiation Monitoring Fund (Fund 0656). All HRCQ shipments over the past two fiscal years originated in Canada with final destinations outside of Missouri. A majority of shipments (3 out of 4) are being sent to out of state ports for foreign export (China, Mexico, Malaysia, etc.). The fee currently supports functions allowed by the statute such as escorts and ensuring security of shipments by the Missouri State Highway Patrol, safety and radiation measurement and inspections by the Missouri Department of Health and Senior Services, equipment purchased to ensure radiation safety of the public, and training to first responders across the state that would respond to an accident involving these radioactive shipments. Currently, most of these functions are related to or conducted on HRCQ shipments. None of these services that help protect the citizens of Missouri would be supported without collection of this fee. Additionally, if shipping HRCQ through Missouri becomes preferred due to a financial advantage, more shipments may be expected for Missouri's highway system increasing wear and tear on the road system and increase the probability of an accident.

Currently, most of those functions are related to or conducted on HRCQ shipments and services that help protect the citizens of Missouri are supported by the transport fee.

The DNR response indicated a revenue reduction of \$282,600 per year for the Environmental Radiation Monitoring Fund.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assumes that the money currently being deposited from these escorts into Highway, Federal, and Vehicle Revolving funds would be discontinued, and instead a different amount of money (based on a different fee structure than we currently use) would go into the Environmental Radiation Monitoring fund.

To date in FY12, we have charged approximately \$22,105 for the escort of 29 trips. Of this amount, \$18,369 would have been deposited into Highway funds, \$2,963 would have been deposited into the Vehicle Revolving Fund, and \$773 would have been deposited into the Federal fund. Under this legislation, those deposits would not have gone into those funds.

ASSUMPTION (continued)

Under the new proposal, instead, the Patrol could charge up to \$500 per trip, plus a one-time annual payment of up to \$2,000. Since the Patrol currently contracts with one shipper (Nordion, a company in Canada), who then subcontracts with a variety of transporters, we assume that the \$2,000 payment would only come from Nordion since that's who we deal with directly. To date in FY12, the Patrol escorted 29 separate trips, with an average cost of \$762 per trip. Therefore, we assume we would charge the full \$500 per trip (which would still mean we would be losing money), as well as the one-time \$2,000 payment from Nordion.

\$2,000	One-time payment
\$14,500	\$500 per trip x 29 trips
\$16,500	Total

Oversight will include a revenue reduction of more than \$100,000 per year for the Environmental Radiation Monitoring Fund for the elimination of the Highway Route Controlled Quantity fee.

Section 301.010

Officials from the **Department of Revenue (DOR)** state this legislation defines recreational off highway vehicle as any motorized vehicle manufactured and used exclusively for off highway use which is sixty-four inches or less in width, with an unladen dry weight of two thousand pounds or less, traveling on four or more nonhighway tires, with a nonstraddle seat, and steering wheel, which may have access to ATV trails. DOR estimates procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY13. The Department's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY13.

Section 304.033

Officials from the **Department of Revenue (DOR)** state a person operating a recreational off highway vehicle on a highway pursuant to an exception covered in this section shall have a valid operator's or chauffeur's license, except that a handicapped person operating such vehicle pursuant to subdivision (4) of subsection 1 of this section, but shall not be required to have passed an examination for the operation of a motorcycle. A violation of this section shall be a class C misdemeanor. DOR's Driver License Bureau estimates 40 hours of system testing for new conviction codes.

ASSUMPTION (continued)

FY 13

Administrative Analyst - 40 hrs @ \$24 (1 1/2) per hr = \$960

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**ENVIRONMENTAL RADIATION
MONITORING FUND**

<u>Revenue reduction - Transport fee elimination</u> (Section 260.392)	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)
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ESTIMATED NET EFFECT TO THE ENVIRONMENTAL RADIATION MONITORING FUND	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
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VEHICLE REVOLVING FUND

<u>Revenue reduction - Transport fee elimination</u> (Section 260.392)	<u>(\$2,963)</u>	<u>(\$2,963)</u>	<u>(\$2,963)</u>
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ESTIMATED NET EFFECT TO THE VEHICLE REVOLVING FUND	<u>(\$2,963)</u>	<u>(\$2,963)</u>	<u>(\$2,963)</u>
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HIGHWAY FUND

<u>Revenue reduction - Transport fee elimination</u> (Section 260.392)	<u>(\$18,369)</u>	<u>(\$18,369)</u>	<u>(\$18,369)</u>
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ESTIMATED NET EFFECT TO THE HIGHWAY FUND _____	<u>(\$18,369)</u>	<u>(\$18,369)</u>	<u>(\$18,369)</u>
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<u>FISCAL IMPACT - State Government</u> (continued)	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
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FEDERAL FUND

<u>Revenue reduction</u> - Transport fee elimination (Section 260.392)	<u>(\$773)</u>	<u>(\$773)</u>	<u>(\$773)</u>
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ESTIMATED NET EFFECT TO THE FEDERAL FUND _____	<u>(\$773)</u>	<u>(\$773)</u>	<u>(\$773)</u>
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

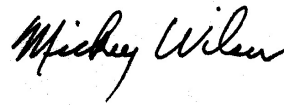
This proposal allows certain motor vehicles to drive on public highways with dyed fuel during states of emergencies.

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 Transportation
Department of Revenue
Department of Public Safety
Department of Corrections
Office of the State Public Defender
Office of Prosecution Services
Office of the State Courts Administrator
Department of Agriculture
Office of Administration
Joint Committee on Administrative Rules
Office of the Secretary of State
Department of Natural Resources
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director
May 3, 2012