

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5866-02
Bill No.: HCS for SB 909
Subject: Roads and Highways; Department of Transportation
Type: Original
Date: May 2, 2016

Bill Summary: This proposal allows the highways and transportation commission to issue a request for proposals to sell naming rights for a particular segment of highway or for a bridge, to the best qualified bidder and designates two memorial highways.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

In response to a similar proposal from 2016 (HB 2382), officials from the **Office of Administration** assumed the proposal would have no fiscal impact on their organization.

In response to a similar proposal from 2016 (HB 2382), officials at the **Office of Secretary of State** stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office 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 similar proposals regarding the designation of memorial highways, officials from the **Department of Transportation** assumed the proposals would have no fiscal impact on their organization.

Oversight notes this proposal allows the Department of Transportation (MoDOT) to sell or lease naming rights for a particular segment of highway or for a bridge to the best qualified bidder, with the proceeds of the sale or lease being deposited into the State Road Fund. Oversight notes this proposal allows for the sale or lease of naming rights but does not require it. Oversight will reflect a fiscal impact of \$0 (no contracts issued for naming rights) or "Unknown" (contracts issued for naming rights) in FY 2017 and thereafter.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
---	---------------------	---------	---------

STATE ROAD FUND

Revenue - MoDOT	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
Proceeds from the sale or lease of naming rights			

ESTIMATED NET EFFECT TO 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 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

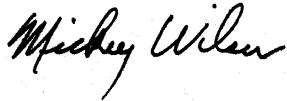
This proposal enables the Missouri Highways and Transportation Commission to issue requests for the sale or leasing of naming rights of particular highways or bridges. The sale or lease shall go to the best qualified bidder, and be approved by both the commission and the Joint Committee on Transportation Oversight. A naming rights contract or lease may be disapproved for any reason, and shall not exceed ten years in length. No naming rights may be sold or leased for any highway portion or bridge that has been designated as a memorial highway or bridge prior to August 28, 2016.

This proposal also designates two memorial highways throughout the state.

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

Office of Administration
Joint Committee on Administrative Rules
Office of Secretary of State
Department of Transportation

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

Mickey Wilson, CPA
Director
May 2, 2016

Ross Strobe
Assistant Director
May 2, 2016