

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0589S.02I  
 Bill No.: SJR 9  
 Subject: Motor Fuel; Department of Revenue; Roads and Highways; Taxation and Revenue  
 - General; Transportation; Department of Transportation  
 Type: Original  
 Date: February 14, 2023

Bill Summary: This joint resolution proposes a constitutional amendment establishing the Interstate 70 Improvement Fund and requiring certain deposits into the fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0 or (More than \$10,000,000)	\$0 or (Up to \$1,500,000,000)	\$0 or (Up to \$1,763,054,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$10,000,000)**</b>	<b>\$0 or (Up to \$1,500,000,000)</b>	<b>\$0 or (Up to \$1,763,054,000)</b>

\*The potential fiscal impact of “(More than \$10,000,000)” in FY 2024 would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

\*\*SOS has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election held during 2022.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Interstate 70 Improvement Fund*	\$0	\$0 or Less than \$1,500,000,000	\$0 or Less than \$1,763,054,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0 or Less than \$1,500,000,000</b>	<b>\$0 or Less than \$1,763,054,000</b>

\*Income and costs net to zero.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0*</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer out and transfer in net to zero **if** the Governor calls a special election.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (B&P)** assume the following regarding this proposal:

If the measure is approved at the 2024 general election, it will become effective in the state's Fiscal Year 2025, which begins July 1, 2024 and ends June 30, 2025.

If the measure is approved at the 2024 general election, B&P estimates that section 1(1) of the measure will result in the transfer of an unknown amount of General Revenue (GR) into a new Interstate 70 Improvement Fund in Fiscal Year 2026 after the completion of Fiscal Year 2025. B&P does not have an estimate for net general collections for Fiscal Year 2025, the fiscal year in which the measure would become effective if it is approved at the 2024 general election. The Consensus Revenue Estimate (CRE) for Fiscal Year 2024 is \$13,152,700,000, 2% of which is \$263,054,000. For the purpose of responding to this fiscal note, B&P estimates that this provision of the measure will cost General Revenue \$263,054,000 per fiscal year, beginning in Fiscal Year 2026.

If the measure is approved at the 2024 general election, B&P estimates that section 1(2) of the measure will result in the transfer of an unknown amount of GR into the new fund in Fiscal Year 2025, depending on whether the January 1, 2025 GR balance exceeds \$4 billion. For the purposes of this fiscal note B&P estimates the cost of such a transfer to be between \$0 and \$1.5 billion per fiscal year, beginning in Fiscal Year 2025.

B&P also notes, the Governor's Fiscal Year 2024 recommendations for the Department of Transportation include \$859,000,000 General Revenue Fund appropriated as a line item in Section 4.425 of appropriations House Bill 4 (2023) for Interstate 70 capacity improvements.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by B&P. Oversight will range the fiscal impact from \$0 (voters do not approve of the resolution) to the estimates provided by B&P (voters approve the resolution).

Officials from the **Missouri Department of Transportation** defer to the Department of Revenue and Office of Administration - Budget and Planning for the potential fiscal impact of this proposal.

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

This is a constitutional amendment that is to go to the vote of the people at the November 2024 general election. If the proposal is not adopted by the voters then it has no fiscal impact.

Should this pass, then it would create a new state fund called the “Interstate 70 Improvement Fund (Fund). The Fund is to be used to widen I-70 across Missouri. The Fund is to receive revenue from two sources.

The first source is 2% of all net general revenue collections annually are to be appropriated to the fund. The second source requires that on January 1st each year if the general revenue fund has more than \$4 billion in the fund then the excess of the \$4 billion, up to \$1.5 billion is to be transferred to the new fund.

The Department assumes that the Office of Administration’s Division of Budget and Planning would work with the Appropriation Committees of the General Assembly to annually determine the amount of the transfers. DOR defers to B&P for any estimate of the fiscal impact.

Officials from the **Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for MHP.

Officials from **Office of the Secretary of State** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

The Secretary of State’s office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY24 petitions cycle, the SOS estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State’s office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of the publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

**Oversight** has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2024. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2024 and the next scheduled general election is in November 2024 (both in FY 2025). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2024.

**Oversight** notes the balance of the General Revenue Fund on the following dates:

January 31, 2023	\$5,609,026,200.
June 30, 2022	\$4,899,052,196
June 30, 2021	\$2,354,130,726
June 30, 2020	\$ 802,889,192
June 30, 2019	\$ 654,033,083

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs <b>if</b> a special election is called by the Governor	\$0 or (More than \$10,000,000)	\$0	\$0
<u>Transfer Out</u> – 2% of net general revenue collections to the Interstate 70 Improvement Fund (section 1(1))	\$0	\$0	\$0 or (\$263,054,000)
<u>Transfer Out</u> – amount above \$4 billion up to \$1.5 billion to the Interstate 70 Improvement Fund (section 1(2))	\$0	\$0 or (Up to \$1,500,000,000)	\$0 or (Up to \$1,500,000,000)

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or (More than \$10,000,000)</u></b>	<b><u>\$0 or (Up to \$1,500,000,000)</u></b>	<b><u>\$0 or (Up to \$1,763,054,000)</u></b>
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>INTERSTATE 70 IMPROVEMENT FUND</b>			
<u>Transfer In – 2% of net general revenue collections (section 1(1))</u>	\$0	\$0	\$0 or \$263,054,000
<u>Transfer In - amount above \$4 billion up to \$1.5 billion to the Interstate 70 Improvement Fund (section 1(2))</u>	\$0	\$0 or Up to \$1,500,000,000	\$0 or Up to \$1,500,000,000
<u>Cost – MoDOT – to complete and widen or improve and maintain Interstate 70</u>	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE INTERSTATE 70 IMPROVEMENT FUND</b>	<b><u>\$0</u></b>	<b><u>\$0 or Less than \$1,500,000,000</u></b>	<b><u>\$0 or Less than \$1,763,054,000</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In - Local Election Authorities - reimbursement of election costs by the State for a special election</u>	\$0 or More than \$10,000,000	\$0	\$0
<u>Costs - Local Election Authorities - cost of a special election <b>if</b> called for by the Governor</u>	\$0 or (More than \$10,000,000)	<u>\$0</u>	<u>\$0</u>

<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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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 proposed constitutional amendment, if approved by voters, establishes the "Interstate 70 Improvement Fund", to be used solely by the Highways and Transportation Commission for the purposes of completing and widening or otherwise improving and maintaining Interstate 70.

2% of net general revenue collections annually shall be deposited in the fund.

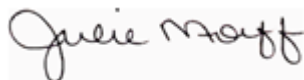
On January 1 of each year, any money in the General Revenue Fund in excess of \$4 billion, but not to exceed \$1.5 billion, shall be deposited in the fund.

Deposit requirements under the act shall expire August 28, 2033.

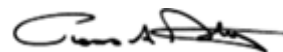
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Missouri Department of Transportation  
Missouri Highway Patrol  
Office of Administration - Budget and Planning  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Julie Morff  
Director  
February 14, 2023



Ross Strobe  
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