

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1206S.02P
 Bill No.: Perfected SS for SB 265
 Subject: Boards, Commissions, Committees, and Councils; Capital Improvements;
 Economic Development; Transportation; Department of Transportation; Treasurer,
 State; Water Resources and Water Districts
 Type: Original
 Date: April 19, 2023

Bill Summary: This proposal establishes various funds.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| General Revenue* | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| Total Estimated Net Effect on General Revenue | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |

*Oversight assumes an appropriation from General Revenue to the new Waterways and Ports Trust Fund, the Interstate 70 Improvement Fund, and the Flood Resiliency Improvement Fund would exceed the \$250,000 threshold.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| Flood Resiliency Improvement Fund* | \$0 | \$0 | \$0 |
| Interstate 70 Improvement Fund | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| Public Defender-Federal and Other Fund** | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| Waterways and Ports Trust Fund* | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |

*Transfers in and out net to zero.

**Officials from the Office of the State Public Defender (SPD) assume having a dedicated fund for donations (instead of to the General Revenue Fund) will allow them to solicit and collect donations and/or grants.

Numbers within parentheses: () indicate costs or losses.

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

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

- 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.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| Local Government | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (B&P)** assume subsection 68.080.1 establishes in the State Treasury the "Waterways and Ports Trust Fund", and provides that the fund shall consist of revenues appropriated to it by the General Assembly. This provision will presumably authorize the General Assembly to appropriate from the General Revenue Fund for transfer into the new fund, resulting in an unknown additional cost to the General Revenue Fund as early as Fiscal Year 2024. Subsection 68.080.3 provides that the fund shall be a revolving trust fund exempt from the provisions of Section 33.080 relating to the transfer of unexpended balances by the State Treasurer to the General Revenue Fund of the state and that all interest earned upon the balance in the fund shall be deposited to the credit of the fund, resulting in an unknown loss of revenues to the General Revenue Fund as early as Fiscal Year 2024.

In addition, B&P notes this proposal duplicates the following:

The Missouri Department of Transportation (MoDOT) currently administers Fiscal Year 2023 appropriations that subsidize operations and capital improvements for the state's port authorities, pursuant to Section 4.555 of House Bill 3004 (2022), Sections 20.013 and 20.014 of House Bill 3020 (2022), and Section 68.035, RSMo.

Fiscal Year 2023 House Bill 3004 (2022) Section 4.555 appropriations include:

- \$11,620,577 General Revenue Fund and \$800,000 State Transportation Fund for grants to port authorities statewide for assistance in port planning, acquisition, or construction within the port districts; and
- \$25,000,000 Budget Stabilization Fund earmarked for the Jefferson County port authority for the same purposes.

Fiscal Year 2023 House Bill 3020 (2023) Section 20.013 and Section 20.014 appropriations include:

- \$25,000,000 Coronavirus State Fiscal Recovery Fund for grants to port authorities statewide; and
- \$5,000,000 Coronavirus State Fiscal Recovery Fund for grants to the New Madrid County port authority.

The Governor's recommendations for Fiscal Year 2024 House Bill 4 (2023) Section 4.555 appropriations include:

- \$12,270,577 General Revenue Fund and \$800,000 State Transportation Fund for grants to port authorities statewide for assistance in port planning, acquisition, or construction within the port districts; and
- \$25,000,000 Budget Stabilization Fund earmarked for the Jefferson County Port Authority for the same purposes.

The Governor's recommendations for Fiscal Year 2024 House Bill 20 (2023) Section 20.013 and Section 20.014 appropriations include:

- \$25,000,000 Coronavirus State Fiscal Recovery Fund for grants to port authorities statewide; and
- \$5,000,000 Coronavirus State Fiscal Recovery Fund for grants earmarked for the New Madrid County port authority.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 (the General Assembly does not appropriate funds to the new Waterways and Ports Trust Fund) to an "Unknown" cost to General Revenue (the General Assembly appropriates funds to the new fund). Oversight assumes the unknown fiscal impact could be greater than \$250,000. Oversight notes the proposed new fund will be dissolved on December 31, 2033 and any balance remaining will be transferred to the General Revenue Fund.

Officials from the **Missouri Department of Transportation, Department of Revenue** and **Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Senate Amendment 1 – Interstate 70 Improvement Fund

In response to a similar proposal from 2023 (SS for SCS for SB 317), officials from the **Office of Administration - Budget and Planning (B&P)** assumed the following regarding this proposal:

Subsection 136.415.1 of the legislation establishes in the State Treasury the "Interstate 70 Improvement Fund", and provides that the fund shall consist of revenues appropriated to it by the General Assembly. This provision will presumably authorize the General Assembly to appropriate from the General Revenue Fund for transfer into the new fund, resulting in an unknown additional cost to the General Revenue Fund as early as Fiscal Year 2024. Subsections 2 and 3 of the legislation provide that the fund will be exempt from the provisions of section 33.080 relating to the transfer of unexpended balances by the State Treasurer to the General Revenue Fund of the state and that all interest earned upon the balance in the fund shall be deposited to the credit of the fund, resulting in an unknown loss of revenues to the General Revenue Fund as early as Fiscal Year 2024.

In response to a similar proposal from 2023 (SS for SCS for SB 317), officials from the **Missouri Department of Transportation** deferred 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** and **Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 (the General Assembly does not appropriate monies to the new fund) to an “Unknown” amount appropriated from General Revenue to the new fund. Oversight assumes any appropriation into the fund will be more than \$250,000.

Senate Amendment 1 to Senate Amendment 1 – Public Defender – Federal and Other Funds

In response to a similar proposal from 2023 (Perfected SS for SB 245), officials from the **Office of the State Public Defender (SPD)** stated the proposed legislation amending Section 600.042 would allow SPD to receive gifts and grants in a specified public defender fund up to the currently authorized amount of \$1,250,000. It is unknown how much will be received within a fiscal year.

SPD knows of no donations that have been made to General Revenue (GR) under the current statute. SPD has solicited grants from Americorp Vista for in-kind donations and would like to solicit grants from the DOJ if the Quality Defense Act is passed. That legislation authorizes substantial grants for public defender organizations that have completed workload studies and are working to establish appropriate workloads. SPD would also investigate other grant funding available.

Oversight assumes since no donations have been received by General Revenue through this statute, changing the designation to the new Public Defender – Federal and Other Fund would not create a material direct fiscal impact to the state.

In response to similar legislation from 2022 (HB 2370), officials from the **Office of the State Treasurer** assumed the proposal would 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.

Senate Amendment 2 – Flood Resiliency Improvement Fund

In response to a similar proposal from 2023 (HB 1242), officials from the **Department of Natural Resources (DNR)** assumed the proposal would 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 DNR.

Officials from the **City of Kansas City** and **City of Springfield** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the MOLIS database is available upon request.

Oversight notes a new fund has been established, the “Flood Resiliency Improvement Fund” as a result of this proposal. This fund could issue grants or offer financial assistance to entities for the development, construction or renovation of a flood resiliency project. The DNR could also develop its own plans with the funds.

Oversight notes this fund is subject to appropriation by the General Assembly; therefore, Oversight will range the impact from “\$0” (the General Assembly does not appropriate funds to the new program) to an “Unknown” amount (the General Assembly appropriates funds to the new program). Oversight will also reflect an “Unknown” amount of costs in the form of grants/financial assistance. Oversight will assume the appropriation could be from the General Revenue Fund.

Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note 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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with its core budget. Therefore, the SOS reserves 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.

| <u>FISCAL IMPACT – State Government</u> | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|--|------------------------------------|------------------------------------|------------------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Loss</u> – (§136.415) appropriations to the new Interstate 70 Improvement Fund (SA 1) | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Transfer Out</u> – (§68.080) to the Waterways and Ports Trust Fund for grants to local port authorities | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Transfer Out</u> – (§256.800) to the Flood Resiliency Improvement Fund (SA 2) | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> |
| FLOOD RESILIENCY IMPROVEMENT FUND | | | |
| <u>Transfer In</u> – (§256.800) from General Revenue (SA 2) | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| <u>Cost</u> – (§256.800) DNR – grants and/or financial assistance for flood resiliency plans (SA 2) | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| ESTIMATED NET EFFECT ON THE FLOOD RESILIENCY IMPROVEMENT FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| <u>FISCAL IMPACT – State Government</u> (continued) | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|---|------------------------------|------------------------------|------------------------------|
| INTERSTATE 70 IMPROVEMENT FUND | | | |
| <u>Revenue</u> – (\$136.415) monies appropriated by the General Assembly (SA 1) | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Cost</u> – (\$136.415) MoDOT – expenditures out of the fund to complete and widen or otherwise improve and maintain Interstate 70 (SA 1) | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIMATED NET EFFECT ON THE INTERSTATE 70 IMPROVEMENT FUND | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
| PUBLIC DEFENDER – FEDERAL AND OTHER FUND | | | |
| <u>Income</u> - (\$600.042) grants, private gifts, donations, and bequests made to the Office of the Public Defender (SA 1 to SA 1) | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| ESTIMATED NET EFFECT TO THE PUBLIC DEFENDER – FEDERAL AND OTHER FUND | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| <u>FISCAL IMPACT – State Government</u> (continued) | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|---|---------------------|---------------------|---------------------|
| WATERWAYS AND PORTS TRUST FUND | | | |
| <u>Transfer In</u> – (\$68.080) from the General Revenue fund | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| <u>Cost</u> – (\$68.080) MoDOT – disbursement of grants to local port authorities | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| ESTIMATED NET EFFECT ON THE WATERWAYS AND PORTS TRUST FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|---|------------------------------|------------------------------|------------------------------|
| LOCAL PORT AUTHORITIES | | | |
| <u>Transfer In</u> – (\$68.080) from the state | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| ESTIMATED NET EFFECT ON LOCAL PORT AUTHORITIES | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> |

FISCAL IMPACT – Small Business

Small business could be positively impacted by improvements to Interstate 70, waterways, and ports as a result of this proposal.

FISCAL DESCRIPTION

This act establishes the "Waterways and Ports Trust Fund". The fund shall consist of moneys appropriated to it by the General Assembly, and may also receive money from federal, private, or other sources.

Moneys in the fund shall be withdrawn only upon appropriation by the General Assembly, to be administered by the Highways and Transportation Commission and the Department of Transportation, for the purposes of developing a statewide plan for waterborne commerce and reviewing plans of local or regional port authorities for major public capital improvements to encourage coordination with the statewide plan.

The act specifies eligibility requirements for a project to be eligible to receive an appropriation from the fund.

This act shall terminate on August 28, 2033, pending the discharge of moneys from the fund. The fund shall be dissolved on December 31, 2033, with the unencumbered balance being transferred to the General Revenue Fund.

This act also 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.

Under current law, any funds available from government grants, private gifts, donations, bequests, or other sources made to the Office of the Public Defender are deposited in the General Revenue fund of the state.

This act creates the "Public Defender - Federal and Other Fund" in the state treasury and provides that funding from any government grants, private gifts, donations, bequests, or other sources shall be deposited into such fund.

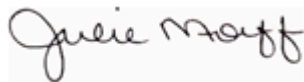
This bill establishes the "Flood Resiliency Act", which creates the "Flood Resiliency Program" administered by the Department of Natural Resources to increase flood resiliency along the Missouri and Mississippi Rivers and their tributaries and to improve statewide flood forecasting and monitoring ability. The state may participate in flood resiliency projects as set forth in the bill. A plan, which is defined as a preliminary report describing the need for, and implementation of, flood resiliency measures, must include certain information. The Director of the Department of Natural Resources can only approve a plan if it is determined that long-term flood mitigation is needed in that area of the state, and that such a plan proposes flood resiliency measures that will provide long-term flood resiliency.

Flood resiliency projects may be funded by moneys in the "Flood Resiliency Fund" created in the bill and such projects can be eligible to receive other contributions and grants.

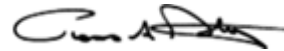
This legislation is not federally mandated and would not require additional capital improvements or rental space. The proposal may partly duplicate an existing program.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
Missouri Department of Transportation
Department of Revenue
Missouri Highway Patrol
Office of the State Public Defender
Office of the State Treasurer
Department of Natural Resources
Office of the Secretary of State
Joint Committee on Administrative Rules
City of Kansas City
City of Springfield



Julie Morff
Director
April 19, 2023



Ross Strobe
Assistant Director
April 19, 2023