

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0645H.04C
Bill No.: HCS#2 for SCS for SB 348
Subject: Tourism; Holidays and Observances; Roads and Highways
Type: Original
Date: May 7, 2025

Bill Summary: This proposal creates new provisions and modifies existing provisions relating to tourism.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund*	Could exceed (\$691,339)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	Could exceed (\$691,339)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight reflects a range of funds that may be appropriated to the "Division of Tourism Supplemental Revenue Fund" (the General Assembly may appropriate). Oversight notes section 620.467 expired June 30, 2020 and this proposal appears to be a continuation of an existing, annual transfer. Oversight will assume, for the purpose of the fiscal note, the continued appropriation would be greater than \$250,000 (3-year average has been \$22.5 million per year). Additionally, Oversight shows transfer of general revenue funds into the Route 66 Supplemental Signage Fund and DOR's ITSD fees due to the §301.3183.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Division of Tourism Supplemental Revenue Fund (0274)*	\$0	\$0	\$0
State Road Fund	(\$52,000)	\$0	\$0
Route 66 Supplemental Signage Fund**	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	Could exceed (\$52,000)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight assumes the Division of Tourism Supplemental Revenue Fund nets to zero.

**Oversight assumes any potential grant program costs will not exceed \$250,000.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Highway Funds	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Sections 9.005, 9.171, 9.234, 9.292, 9.367, 9.385, 9.386, 9.388, 9.389, 9.401, 9.402, 9.409, 9.416, 10.254, 10.260 – Holidays and Observances Awareness Days

Officials from the **Department of Revenue (DOR)** assume these provisions will have no fiscal impact on their respective organization.

In response to similar legislation, SCS for SB 348 (2025), officials from the **Department of Health and Senior Services, Missouri Department of Transportation, and the Office of Administration** each assumed 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.

§301.3183 – The Freedom 13 Organization Specialty License Plate

In response to the similar proposal, SB 358 (2025), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update charts, procedures and the Department web site;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716); and
- Complete programming and user acceptance testing for identified systems.

FY 2026 – Motor Vehicle Bureau

Associate Research/Data Analyst 151 hrs. @ \$26.03 per hr. = \$3,931

Research/Data Analyst 38 hrs. @ \$27.87 per hr. = \$1,059

Administrative Manager 19 hrs. @ \$30.25 per hr. = \$575

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$22.33 per hr. = \$893

Total = **\$6,458**

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. If multiple bills are passed that require department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR noted OA-ITSD services will be required at a cost of **\$22,339** in FY 2025 (212.75 hours x \$105 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume Section 301.3183 allows any Missouri resident to receive a personalized license plate or plates bearing The Freedom 13 Organization emblem after an annual application and payment of a \$25 emblem-use authorization fee to The Freedom 13 Organization. B&P defers to DOR for impact on TSR.

In response to similar legislation, SCS for SB 348 (2025), officials from the **Missouri Department of Transportation** deferred to DOR for the potential fiscal impact of this proposal.

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 211 different types of specialty license plate designs available in Missouri. From these 211 specialty license plates, there were 78,781 registrations as of January 21, 2025:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
48	89	56	18

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, several of the military/veteran specialty plates do not require a fee.

Sections 226.886, 227.830, 227.840, 227.857, 227.875, 227.876, 227.877, 227.878, 227.879, and 227.883 Memorial bridge or Highway Designations

In response to the previous version of the proposal, officials from the **Department of Revenue (DOR)** assume these sections do not pertain to DOR and will not have a fiscal impact on DOR.

Officials from the **Office of Administration – Budget and Planning (B&P)** assume Sections 226.886, 227.781, 227.857, 227.862, 227.871, 227.875, 227.876, 227.877, 227.878, 227.879, 227.883, 227.885, and 227.888 require MoDOT to erect and maintain proper signage for various highway designations across the state. B&P assumes these responsibilities will present an increased cost to the State. B&P defers to MoDOT for any specific cost estimates.

Officials from the **Missouri Department of Transportation (MODOT)** notes:

Sections 226.886, 227.781, 227.857, 227.862, 227.871, 227.875, 227.876, 227.877, 227.878, 227.879, 227.883, 227.885, 227.888

These sections are estimated to have a total negative impact on the State Road Fund of \$4000 each, for a total of \$52,000. This would be a one-time expense as the language requires MoDOT to fund these designations with no costs for sign fabrication and installation recouped through the participation fee. The estimated cost is \$2000 per sign, with 2 total signs for each designation.

Oversight notes that this proposal adds the following sections, from the previous version of the bill, as follows:

§277.503 – Bob Watts Memorial Bicycle & Pedestrian HWY

§227.841 – Adam Ellis Memorial HWY

§227.862 – Officer Cody Allen Memorial HWY

§227.871 – Officer James Muhlbauer K-9 Officer Champ Memorial Bridge

§227.882 – U.S. Representative Billy Long HWY

§227.884 – John Lucas Memoria HWY

§227.885 COL Elmer R. Parrish Memorial HWY

§227.887 – Sam Graves Heart of America Bridge

§227.888 – the “PFC Leland S Deeds memorial HWY

§227.889 – William Patrick Thompson Memorial HWY

§227.892 – Cotton Fitzsimmons Memorial HWY

§227.893 – Mayor Stan Salva Bridge

§227.894 – Beulah Poynter Memorial Bridge

Oversight notes that sign costing \$4,000 for the Section 227.881 from the previous version of the proposal was not included within this proposal.

Oversight notes that this proposal added additional fiscal impact for the MODOT (State Road Fund). Therefore, Oversight will include the total cost of \$52,000 to the State Road Fund for all new signs that will have to be erected in FY 2026.

§227.299 & 226.1170 – Highway Designation for various private Organizations

Officials from the **Missouri Department of Transportation (MODOT)** assume this section would require the participation fee for MoDOT's memorial designation program to not exceed the cost of the materials to construct each sign. This would apply only to memorial designations funded by private donation as MoDOT currently pays for line of duty memorial designations out of the State Road Fund per RSMo 227.296. On average, twelve memorial designations funded by private donations are enacted every year.

Currently the Department's main interest in sign maintenance is the cost of sign replacement upon being damaged or reaching the end of its usable life. MoDOT's memorial signing expenditures today per memorial for two standard 6'x3' signs are \$3900 with PSST (perforated square steel tube) posts and \$6547 for pipe posts. Interstates and some US Routes require pipe posts. The participation fee is set at \$4000, which covers two standard 6'x3' signs.

There are 900 memorial designations on Missouri's State Highway System. In 2024, MoDOT expended \$34,326.65 in sign maintenance for customer called in reports for damaged or stolen memorial signs existing on the roadways.

Oversight notes that the above section clarifies that MODOT fee for erecting such a sign must not exceed the actual cost of erecting and maintenance of such a sign.

§620.467 - "Division of Tourism Supplemental Revenue Fund"

Officials from the **Office of Administration – Budget & Planning (B&P)** assume Section 620.467, RSMo is modified which will sunset on June 30, 2020. The proposal allows the General Assembly to appropriate funds into the Tourism Supplemental Revenue Fund, and also allows gifts, contributions, grants, or bequests received from federal, private, or other sources to be deposited into the fund. This bill also repeals obsolete language and amounts, repeals provisions in subsections 620.467.2, 620.467.3 and 620.467.4 which govern how funds are deposited into the TSRF and how those funds were to be expended. This proposal will not impact general or total state revenues. The General Assembly currently appropriates monies to the TSRF.

Officials from the **Department of Revenue (DOR)** assume from 1994 to 2020 the state had a Supplemental Revenue Fund that received appropriations to be used to fund the Division of

Tourism. The appropriation amount was based on a formula having to do with the sales tax amount collected from tourist-oriented goods and services. The language creating the Fund expired on June 30, 2020.

This proposal would restart the Fund by removing the expiration date in the statute. Additionally, it removes the formula for calculating the appropriation transfer and allows any amount of appropriation as well as gifts, contributions, grants, or bequests from federal or private sources to be deposited into the Fund.

DOR was previously responsible for the calculation of the formula to determine the appropriation level. That will no longer need to be done. This proposal is not expected to have any fiscal impact on DOR in the future.

Oversight notes that the officials from the **DOR** assumed 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 DOR.

Oversight notes §620.467 was effective from July 1, 1994 and expired June 30, 2020 and created the Division of Tourism Supplemental Revenue Fund.

Oversight assumes that the proposal re-establishes the "Division of Tourism Supplemental Revenue Fund" and denotes how it receives money.

Oversight notes, upon further inquiry with the DED, the Fund is the main source of money for the Division of Tourism.

Oversight notes the following disbursements, transfers in, and ending balances in the last three years for the Division of Tourism Supplemental Revenue Fund (0274):

	Disbursements	Transfers - In	Ending Balance
FY 2024	23,244,675.61	22,732,150.00	3,584,416.67
FY 2023	22,980,446.53	25,090,183.00	5,317,513.19
FY 2022	20,822,160.40	19,676,852.00	4,333,755.20

Source: <https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>

Oversight notes that the three-year average total to \$22.5 million (rounding to nearest dollar)

Oversight notes that, under the proposal, the General Assembly may appropriate money into the Fund to support the Division of Tourism duties and its functions. Therefore, Oversight will reflect \$0 (general assembly will not appropriate money) to an unknown cost (general assembly elects to appropriate money) to general revenue in the fiscal note beginning FY 2026. Conversely, Oversight will show a transfer-in from the general revenue into the Fund.

Oversight notes that the Fund is allowed to receive gifts, contributions, grants, or bequests received from federal, private, or other sources. Therefore, Oversight will reflect money transferring in from the above mentioned various sources into the Fund.

For simplicity, **Oversight** assumes all the funds will be used in the year in which they are appropriated due to various costs that the Division of Tourism will potentially incur while performing various functions and duties.

Oversight assumes based on the transfers-in according to the Fiscal Year End fund activity report for the Fund in FY 2024, transfers-in totaled \$22,732,150. Therefore, Oversight will assume the potential appropriation could reach, or surpass, the \$250,000 annually. (source: <https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>)

§620.471 denotes the following trails as "Historic Legacy Trails of Missouri"

Officials from the **Department of Economic Development (DED)** assume that this section requires DED to place at least two signs along each:

- (1) Lewis and Clark trail;
- (2) Mark Twain legacy trail;
- (3) Route 66 legacy trail;
- (4) U.S. Grant trail;
- (5) Pony express trail;
- (6) Oregon legacy trail;
- (7) Heritage alliance;
- (8) Way of American genius legacy trail;
- (9) African civil rights legacy trail;
- (10) Katy legacy trail;
- (11) Harry Truman heritage legacy trail;
- (12) Rock Island legacy trail;
- (13) Trail of Tears;
- (14) Boone's Lick trail;
- (15) Santa Fe trail;
- (16) Mina Sauk trail;
- (17) Taum Sauk highpoint trail;
- (18) Ozark trail;
- (19) Caudill trail;
- (20) Butterfield overland national historic trail;
- (21) Honey War trail;
- (22) California national historic trail;
- (23) Osage legacy trail;
- (24) Mississippi greenway;
- (25) Mississippi river trail;
- (26) Mississippi river water trail;

(27) American discovery trails;
(28) U.S. bike route 66; and
(29) Potawatomi trail of death.

DED is estimating a cost of \$2,000 per sign to arrive at our estimate. With 29 trails listed, 58 signs minimum will be required.

Upon further inquiry, as disused for a similar/identical proposal HCS for HB 967, **DED** estimates the cost of this proposal at a one-time cost of \$116,000 for 58 signs (29 trails x 2 signs each x \$2,000).

Officials from the **Office of Administration – Budget & Planning (B&P)** assume 620.471.2 requires DED to place at least two signs for each of twenty-nine distinction trails. This requirement is subject to appropriation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the DED costs impact in the fiscal note in FY 2026.

\$226.796, 226.804 & 620.2200 – Route 66 Signage and Maintenance Enhancement Act

Officials from the **Missouri Department of Transportation (MoDOT)** assumed the following regarding this proposal:

There are currently approximately 540 sign assemblies on state routes and 250 assemblies on city or county routes that would likely need to be replaced. The initial install cost is estimated to be \$700 per assembly, for a total of \$553,000 for existing assemblies. Costs may increase due to a compressed schedule, required theft prevention mechanisms, and additional locations identified for signing. The fund affected would be determined by appropriation.

These sections mandate that additional signage shall highlight historical roadside features, landmarks, and infrastructure elements, including businesses like motels and service stations. Advertising is prohibited by the Manual on Uniform Traffic Control Devices (MUTCD), which represents the national standard for the application of traffic control devices on all roadways open to public travel. The Code of Federal Regulations requires MoDOT to comply with the MUTCD. Noncompliance could jeopardize federal highway funds as determined by the Federal Highway Administration, with an unknown negative fiscal impact.

Oversight does not have information to the contrary and therefore, Oversight will reflect a cost of “Could exceed \$553,000” to the newly established Route 66 Supplemental Signage Fund in FY 2026 as the proposal requires existing signage to be replaced and new signage to be installed no later than May 30, 2026. For fiscal note purposes, Oversight will also reflect a transfer from the General Revenue Fund to the newly established fund as it is unknown if the new fund will receive any grants or private donations.

In addition, Oversight will reflect a \$0 to “Unknown” cost to MoDOT if they establish a program to provide matching grants for local governments and organizations for signage needs and a corresponding \$0 or “Unknown” source of revenue to local political subdivisions.

Oversight will also reflect a \$0 (Missouri is found to be in compliance with federal regulations) to an “Unknown” loss of federal highway funds (Missouri is found to be out of compliance with federal regulations). Oversight assumes the potential loss of federal highway funds could exceed \$250,000.

Bill as Whole:

Officials from the **Office of Administration (OA)**, the **Department of Public Safety – Highway Patrol**, and the **Office of the State Treasurer** each 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 these agencies.

Officials from the **Oversight Division** assume the proposal will have no fiscal impact on their organization. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND (0101)			
<u>Cost – §301.3183 - DOR – OA-ITSD services p.5</u>	(\$22,339)	\$0	\$0
<u>Transfer-Out - §620.467 into "Division of Tourism Supplemental Revenue Fund" by appropriation – p.8-9</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs – DED §620.471 Historic Trail Signage p.8-9</u>	(\$116,000)	\$0	\$0
<u>Transfer Out – §226.804 - to the Route 66 Supplemental Signage Fund) p.10</u>	Could exceed (\$553,000)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed (\$691,339)	\$0 to (Unknown)	\$0 to (Unknown)
STATE ROAD FUND (0320)			
<u>Costs – MoDOT (226.886, 227.857, 227.875, 227.876, 227.877, 227.878, 227.879 & 227.883) Memorial Road Signs p.6</u>	(\$52,000)	\$0	\$0
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	(\$52,000)	\$0	\$0
ROUTE 66 SUPPLEMENTAL SIGNAGE FUND			
<u>Transfer In - §226.804 - MoDOT from the general revenue fund p.10</u>	Could exceed \$553,000	\$0	\$0

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Cost</u> – §226.804 - MoDOT – replace existing signage and install new signage along Route 66 p.10	Could exceed (\$553,000)	\$0	\$0
<u>Cost</u> – §226.804 - MoDOT – potential to establish a matching grant program to local political subdivisions or organizations p.10	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON THE ROUTE 66 SUPPLEMENTAL SIGNAGE FUND	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND (0274)			
<u>Transfer-In</u> - §620.467 - appropriation from general assembly p.8-9	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Gain</u> – §620.467 - gifts, grants, contributions and other moneys p.8-9	\$0 to Unknown	\$0 to Unknown	\$ \$0 to Unknown
<u>Costs</u> - §620.467 - the duties and administrative functions of Division of Tourism p.8-9	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NEF EFFECT ON DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
FEDERAL HIGHWAY FUNDS			
<u>Loss</u> – MoDOT – potential loss in funding with the implementation of this proposal (§226.804) p.10	(Unknown, could exceed <u>\$250,000</u>)	(Unknown, could exceed <u>\$250,000</u>)	(Unknown, could exceed <u>\$250,000</u>)
ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	(Unknown, could exceed <u>\$250,000</u>)	(Unknown, could exceed <u>\$250,000</u>)	(Unknown, could exceed <u>\$250,000</u>)

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - §226.804 - potential to establish a matching grant program to Local Political Subdivisions or Organizations p.10	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</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 creates new provisions and modifies existing provisions relating to tourism.

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 Health and Senior Services
Department of Public Safety - Missouri Highway Patrol
Office of Administration
Joint Committee on Administrative Rules
Office of the State Treasurer
City of Kansas City
City of O'Fallon
Department of Economic Development
Department of Revenue
Missouri Department of Transportation



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