

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0742S.01I
Bill No.: SB 28
Subject: Agriculture; Motor Vehicles; Licenses - Motor Vehicle; Transportation; Roads
and Highways
Type: Original
Date: January 6, 2025

Bill Summary: This proposal modifies provisions relating to cotton trailers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Highway Funds*	\$0 or Up to (\$453,256)	\$0 or Up to (\$1,087,814)	\$0 or Up to (\$2,719,534)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or Up to (\$453,256)	\$0 or Up to (\$1,087,814)	\$0 or Up to (\$2,719,534)

*Potential loss of federal highway funds if Missouri is found to be out of compliance with federal rules

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§301.010 & 307.010 – Cotton Trailers

Officials from the **Missouri Department of Transportation (MoDOT)** assume the exception proposed in §307.010 could create a variance with Federal Motor Carrier Safety Regulation 393.100(b): Prevention against loss of load. Each commercial motor vehicle must, when transporting cargo on public roads, be loaded and equipped, and the cargo secured, in accordance with this subpart to prevent the cargo from leaking, spilling, blowing or falling from the motor vehicle. If a variance with federal law is found, Federal Motor Carrier Safety Administration (FMCSA) Program funding (MCSAP) could be withheld.

Missouri's FY 2025 MCSAP award is anticipated to be around \$10,878,136.

The penalty imposed upon states found to be in non-compliance can be as harsh as withholding all MCSAP funding, or potential withholding amounts are as follows:

YEAR 0 (during the FY that FMCSA notifies Missouri of its noncompliance): up to 5%

YEAR 1 (next full fiscal year): up to 10%

YEAR 2 (2nd full fiscal year): up to 25%

YEAR 3+ (ongoing until variance resolved): not more than 50%

Oversight estimates the following impact:

Year 0 (notification of noncompliance – partial year 10 months):	\$453,256
Year 1 (next full fiscal year):	\$1,087,814
Year 2 (second full fiscal year):	\$2,719,534
Year 3+ (ongoing until variance resolved):	\$5,439,068

Oversight does not have information to the contrary and therefore, Oversight will reflect the potential loss of federal funding as provided by MoDOT. Oversight will reflect the fiscal impact as \$0 (Missouri is not found to be out of compliance) up to the amounts listed above (Missouri is found to be out of compliance of federal rules).

Officials from the **Missouri Highway Patrol** and **Department of Revenue** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
FEDERAL HIGHWAY FUNDS			
<u>Loss – MoDOT – potentially being out of compliance with federal rules</u>	\$0 or Up to <u>(\$453,256)</u>	\$0 or Up to <u>(\$1,087,814)</u>	\$0 or Up to <u>(\$2,719,534)</u>
ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	\$0 or Up to <u>(\$453,256)</u>	\$0 or Up to <u>(\$1,087,814)</u>	\$0 or Up to <u>(\$2,719,534)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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 act increases, from 40mph to 65mph, the maximum speed at which cotton trailers may travel, and repeals a requirement that cotton trailers be used exclusively for transporting cotton.

The act also provides that cotton trailers shall not be in violation of the law regulating the securing of loads, provided certain conditions are met and no portion of the load becomes dislodged and falls from the cotton trailer.

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

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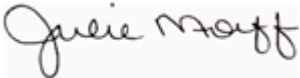
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SOURCES OF INFORMATION

Missouri Department of Transportation
Department of Revenue
Missouri Highway Patrol



Julie Morff
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January 6, 2025



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