

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0427-03
Bill No.: SB 305
Subject: Motor Vehicles; Motor Carriers; Transportation
Type: Original
Date: February 19, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Highway & Transportation/State Road Funds	\$35,995,655	\$43,222,283	\$43,384,225
Total Estimated Net Effect on <u>All</u> State Funds	\$35,995,655	\$43,222,283	\$43,384,225

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$13,367,875	\$16,055,828	\$16,134,475

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation (MoDOT)** assume the proposal will result in increased revenues due to the increased diesel fuel tax and the increased commercial driver's license and commercial vehicle registration fees. Also, MoDOT assumes it will avoid a loss of revenue through the elimination of the sunset clause for the six cent portion of the motor fuel tax set to expire April 1, 2008. Additionally, the proposal restricts trucks over twelve tons to 65 miles per hour on interstates and freeways/expressways. MoDOT assumes collections of increased taxes and fees begin September 1, 2001. Officials with the **Office of Administration—Division of Budget & Planning (BAP)** assume collections begin October 1, 2001.

The three cent diesel fuel tax increase is estimated by **MoDOT** to provide revenue increases of \$23,954,000 in FY 2002; \$29,464,000 in FY 2003; and \$30,200,000 in FY 2004. MoDOT assumes annual growth in these revenues of 2.5%. Officials with **BAP** assumed revenue increases of \$18,270,000 in FY 2002; \$24,726,000 in FY 2003; and \$25,096,000 in FY 2004. BAP assumes annual growth in these revenues of 1.5%. **Oversight** has included figures provided by BAP in the fiscal impact section of this note, with an adjustment to FY 2002 for the month of September, and assumes distribution of these funds is governed by Art. IV, Sect. 30(a)1 of the Missouri Constitution.

MoDOT assumes repeal of the sunset clause for the six cent portion of the motor fuel tax set to expire in April, 2008 will avoid a loss of \$276 million per annum. **BAP** did not address this portion of the legislation.

The increased commercial vehicle registration and trip permit fees are expected by **MoDOT** to generate revenues of \$26,839,000 in FY 2002; \$32,688,000 in FY 2003; and \$33,178,000 in FY 2004. MoDOT assumes annual growth in these revenues of 1.5%. **BAP** did not address this portion of the legislation.

Officials with the **Department of Revenue (DOR)** assume the increased commercial registration and trip permit fees will generate \$27,928,000 in FY 2002; \$33,132,000 in FY 2003; and \$33,295,000 in FY 2004. **Oversight** has used DOR figures in the fiscal impact section, and assumes distribution of these funds is governed by Art. IV, Sect. 30(b)3 of the Missouri Constitution.

MoDOT anticipates a revenue gain from increased commercial driver's license (CDL) fees of \$1,562,000 in FY 2002; \$28,000 in FY 2003; and \$28,000 in FY 2004. CDL's are currently being moved from a three year renewal to a six year renewal. FY 2002 will be the last year with three year licenses being renewed; revenue from FY 2003-2005 will be from new licensees.

ASSUMPTION (continued)

MoDOT expects renewals will be higher from FY 2006-2008, and will generate approximately \$1.85 million annually due to the increased fee. MoDOT assumes 1.5% annual growth in these revenues. **BAP** did not address this portion of the legislation.

Officials with the **DOR** anticipate revenue gain from CDL fees of \$1,183,500 in FY 2002; \$1,420,110 in FY 2003; and \$1,127,700 in FY 2004. DOR explains that six-year licenses were issued to individuals renewing licenses on the rotating yearly basis of even-or-odd years of birth. Thus, each year instead of 1/3 of individuals renewing licenses receiving a six-year license, only 1/6 of renewals were for six years. The process began July 1, 2000, therefore, the licenses issued for individuals with even-numbered birth years from July 1, 2003 to December 31, 2003 and the licenses issues for individuals with odd-numbered birth years from January 1, 2004 to June 30, 2004 did not require renewal. Renewals will be cut in half beginning FY 2004. **Oversight** has used DOR figures in the fiscal impact section, and assumes distribution of these funds is governed by Art. IV, Sect. 30(b)3 of the Missouri Constitution.

The **DOR** assumes implementation of the altered rates will require no additional resources, and notes that an effective date of September 1, 2001 is not practical in order for programming duties and change of renewal forms to be accomplished. DOR did not respond regarding the increased diesel fuel tax.

MoDOT anticipates installing 533 signs along interstates and expressways stating the reduced speed limit for trucks over twelve tons. A smaller sign will be added to existing sign posts at a cost of \$90 each. The total cost for the new signs is \$47,970. NOTE: These figures are reflect lower estimated costs than MoDOT's response to similar previous legislation because the Department estimates fewer signs and will add a smaller sign to existing posts, rather than completely replacing the existing sign.

Officials with the **Office of State Courts Administrator**, the **Office of Prosecution Services**, and the **Office of State Public Defender** indicate that the proposal will have no fiscal impact on their offices.

Officials with the **Department of Public Safety–Missouri State Highway Patrol (MSHP)** did not respond to our request for fiscal note. Based on the response of the courts, prosecutors, and public defenders, **Oversight** assumes there will be minimal impact to the MSHP.

Due to the increased fine, **Oversight** assumes there will be fewer violations by drivers of trucks over two tons. As a result, no material fiscal impact in fine revenues is expected, and no local impact is shown.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
HIGHWAY & TRANSPORTATION DEPT./STATE ROAD FUNDS			
<u>Revenues—MoDOT</u>			
Three Cent Diesel Fuel Tax Increase (70%)	\$14,210,000	\$17,308,200	\$17,567,200
<u>Revenues—MoDOT</u>			
Increased Commercial Vehicle Registration/Trip Permit Fees (75%)	\$20,946,000	\$24,849,000	\$24,971,250
<u>Revenues—MoDOT</u>			
Increased Commercial Driver's License Fees (75%)	\$887,625	\$1,065,083	\$845,775
<u>Costs—MoDOT</u>			
Placement of Speed Limit Signs	(\$47,970)	\$0	\$0
ESTIMATED NET EFFECT TO HIGHWAY & TRANSPORTATION DEPT./STATE ROAD FUNDS	<u>\$35,995,655</u>	<u>\$43,222,283</u>	<u>\$43,384,225</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Revenues—Cities</u>			
Three Cent Diesel Fuel Tax Increase (15%)	\$3,045,000	\$3,708,900	\$3,764,400
<u>Revenues—Cities</u>			
Increased Commercial Vehicle Registration/Trip Permit Fees (15%)	\$4,189,200	\$4,969,800	\$4,994,250
<u>Revenues—Cities</u>			
Increased Commercial Driver's License Fees (15%)	\$177,525	\$213,017	\$169,155
ESTIMATED NET EFFECT TO CITY GOVERNMENTS	<u>\$7,411,725</u>	<u>\$8,891,717</u>	<u>\$8,927,805</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Revenues—Counties</u>			
Three Cent Diesel Fuel Tax Increase (14.75%)	\$2,994,250	\$3,647,085	\$3,701,660
<u>Revenues—Counties</u>			
Increased Commercial Vehicle Registration/Trip Permit Fees (10%)	\$2,792,800	\$3,313,200	\$3,329,500
<u>Revenues—Counties</u>			
Increased Commercial Driver's License Fees (10%)	\$118,350	\$142,011	\$112,770
ESTIMATED NET EFFECT TO COUNTY GOVERNMENTS	<u>\$5,905,400</u>	<u>\$7,102,296</u>	<u>\$7,143,930</u>
<u>Revenues—City of Saint Louis</u>			
Three Cent Diesel Fuel Tax Increase (0.25%)	<u>\$50,750</u>	<u>\$61,815</u>	<u>\$62,740</u>

FISCAL IMPACT - Small Business

This proposal will have a direct fiscal impact on small businesses that purchase diesel or motor fuel, register commercial vehicles, require commercial driver licenses, or operate or utilize the services of trucks in excess of 24,000 lbs.

DESCRIPTION

This act makes several changes regarding speed limits, registration fees, diesel fuel taxes, and other fees as it pertains to large commercial vehicles.

REPEAL OF MOTOR FUEL TAX SUNSET/DIESEL FUEL TAX INCREASE (Section 142.803) - Repeals the sunset clause on motor fuel tax and have added language which would impose an additional tax of 3 cents on diesel fuel (making the motor fuel tax on diesel 20 cents per gallon).

REGISTRATION FEES FOR BEYOND LOCAL TRUCKS (Section 301.057) - Raises registration fees on beyond local commercial motor vehicles by approximately 30 percent.

TRIP PERMITS (Section 301.265) - Raises fee for trip permits from \$10 to \$14.50.

DESCRIPTION (continued)

COMMERCIAL DRIVERS' LICENSES (Section 302.735) - Raises the fee for issuing or renewing a commercial driver's license from \$40 to \$60. Raises the fee for a duplicate CDL from \$20 to \$30.

TRUCK SPEED LIMITS (Section 304.010) - Limits trucks registered over 24,000 pounds to 65 mph on rural freeways and interstates. Down from 70 mph. A person operating a truck in excess of 70 mph shall be fined \$1000 in addition to all other fines and court costs imposed for the speeding violation.

DOCKET FEES (Section 622.030) - Requires the Division of Motor Carrier and Railroad Safety to charge a docket fee of \$200.

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 Transportation
Department of Revenue
Office of Administration
 Division of Budget & Planning
Office of State Courts Administrator
Office of Prosecution Services
Office of State Public Defender

NOT RESPONDING

Department of Public Safety
 Missouri State Highway Patrol



Jeanne Jarrett, CPA
Director

February 19, 2001