

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1286-02
Bill No.: SB 396
Subject: Transportation; Motor Vehicles
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	\$0	\$137,405,603	\$250,087,861
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$137,405,603	\$250,087,861

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	\$0	\$52,741,667	\$97,450,420

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation (MoDOT)** assume the proposal will result in increased revenues generated by the motor fuel tax increase, the annual registration fees increase, and the increased fees for commercial driver license. MoDOT assumes the revenue gains will be realized beginning January 1, 2003, following the November, 2002 election. 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. MoDOT estimates revenue growth at 1.5%. Officials with the **Office of Administration—Division of Budget & Planning (BAP)** also assume collections begin January 1, 2003, and 1.5% growth. Officials with the **Department of Revenue (DOR)** also assume the effective date is January 1, 2003.

Revenue from the five cent motor fuel tax increase is estimated by **MoDOT** to provide revenue increases of approximately \$41.6 million per one cent increase per fiscal year, plus annual growth of 1.5%. Revenue gains are projected at \$104,097,000 in FY 2003 and \$211,317,000 in FY 2004. **Oversight** assumes distribution of these funds is governed by Art. IV, Sect. 30(a)1 of the Missouri Constitution. Numbers provided by **BAP** agree with these estimates.

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

MoDOT expects revenue from the increased annual registration and commercial driver's license fees in the amounts of \$66,121,500 in FY 2003 and \$134,226,000 in FY 2004.

Officials with the **DOR** anticipate revenue from the increased annual registration and commercial driver's license fees of \$86,050,270 in FY 2003 and \$136,221,281 in FY 2004. Fees in FY 2003 do not reflect half of the FY 2004 figure, despite a coverage period of six months compared to twelve, because 50% of owners are eligible for two year registrations in FY 2003. By FY 2004, revenues will have leveled out. **BAP** did not address this portion of the legislation.

Oversight has included fiscal impact from increased registration fees as provided by **DOR**, and assumes these revenues will be allocated according to Art. IV, Sect. 30(b)3 of the Missouri Constitution.

DOR assumes that the changes required by this legislation can be implemented using existing resources. Officials with **DOR** did not provide an estimate on revenue from the motor fuel tax increase.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
HIGHWAY & TRANSPORTATION DEPT. / STATE ROAD FUNDS			
<u>Revenues—MoDOT</u>			
Five Cent Motor Fuel Tax Increase (70%)	\$0	\$72,867,900	\$147,921,900
<u>Revenues—MoDOT</u>			
Increase Annual Registration/Commercial Driver's License Fees (75%)	\$0	<u>\$64,537,703</u>	<u>\$102,165,961</u>
ESTIMATED NET EFFECT TO HIGHWAY & TRANSPORTATION DEPT. / STATE ROAD FUNDS	<u>\$0</u>	<u>\$137,405,603</u>	<u>\$250,087,861</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Revenues—Cities</u>			
Five Cent Motor Fuel Tax Increase (15%)	\$0	\$15,614,550	\$31,697,550
<u>Revenues—Cities</u>			
Increased Annual Registration/Commercial Driver's License Fees (15%)	<u>\$0</u>	<u>\$12,907,540</u>	<u>\$20,433,192</u>
ESTIMATED NET EFFECT TO CITY GOVERNMENTS	<u>\$0</u>	<u>\$28,522,090</u>	<u>\$52,130,742</u>
<u>Revenues—Counties</u>			
Five Cent Motor Fuel Tax Increase (14.75%)	\$0	\$15,354,308	\$31,169,258
<u>Revenues—Counties</u>			
Increased Annual Registration/Commercial Driver's License Fees (10%)	<u>\$0</u>	<u>\$8,605,027</u>	<u>\$13,622,128</u>
ESTIMATED NET EFFECT TO COUNTY GOVERNMENTS	<u>\$0</u>	<u>\$23,959,335</u>	<u>\$44,791,386</u>
<u>Revenues—City of Saint Louis</u>			
Five Cent Motor Fuel Tax Increase (0.25%)	<u>\$0</u>	<u>\$260,242</u>	<u>\$528,292</u>

FISCAL IMPACT - Small Business

This proposal will have a direct fiscal impact on small businesses by increasing fuel taxes, vehicle registration costs, and commercial driver's license fees.

DESCRIPTION

This act increases the motor fuel tax by 5 cents and raises registration fees to the consumer price index value for the year 2000. This act also repeals the sunset on the motor fuel tax (6 cents) which is set expire in 2008. This act also raises the fees on commercial driver's licenses to the consumer price index for the year 2000.

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
Office of Administration
 Division of Budget & Planning
Department of Revenue



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Director

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