

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3307-14
Bill No.: HS for HCS for SS for SS for SCS for SB's 970, 968, 921, 867, 868 and 738, as amended
Subject: Transportation
Type: Original
Date: May 13, 2002

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|--|----------------------|---|---|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| General Revenue | (\$995,528) | (\$17,304,661 to \$18,304,661) | (\$34,547,327 to \$35,547,327) |
| State School Money | \$0 | \$0 | \$0 |
| State Road* | \$190,771,601 | \$488,914,507 | \$520,603,288 |
| Highway | (\$104,839) | \$12,909,121 | \$12,909,121 |
| Commercial Driver License Examination** | \$0 | \$0 | \$0 |
| State Transportation | \$32,206,894 | \$80,388,407 | \$83,603,944 |
| Missouri State Highway Patrol | \$11,182,949 | \$27,912,641 | \$29,029,146 |
| Office of Administration Revolving | \$0 | \$0 | \$0 |
| Various State Funds | \$0 | \$0 | \$0 |
| Aviation Trust | \$0 | \$2,550,000 | \$5,100,000 |
| Total Estimated Net Effect on <u>All State Funds</u>* | \$233,061,077 | \$594,370,015 to \$595,370,015 | \$615,698,172 to 616,698,172 |

*Does not include possible savings or costs due to design/build projects or costs for safe travel routes for electric personal assistance mobility devices.

**Offsetting revenues and expenditures of about \$900,000 per year.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 21 pages.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|--------------------|---------------------|---------------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| Local Government* | \$6,857,919 | \$17,184,765 | \$17,774,656 |

*Does not include savings for decreased matches on airport projects or costs for establishing safe travel routes for electric personal assistance mobility devices or fiscal impact of St. Louis Airport Authority or Regional Taxicab Commission provisions.

FISCAL ANALYSIS

ASSUMPTION

SECTIONS 67.1800 - 67.1820 - Regional Taxicab Commission

Officials of the **City of St. Louis Airport Authority** assume that this proposal would have a positive fiscal impact. Officials stated that currently St. Louis County controls and regulates taxicab operations at the airport. Officials assume that under this proposal they would have that authority. Officials assume that they would enter into a concession-type agreement, with one or more taxicab operators, such agreement would include an activity fee, (percent of revenue, trip fee, etc.), and a minimum annual guarantee. Officials assume an increase in revenue, however, the amount of increase is Unknown. Officials stated that the airport's current annual revenue from cab operations is approximately \$90,000.

Officials of the **City of St. Louis-Division of Budget** assume this proposal would have fiscal impact to the City. Officials stated that current income from inspections performed by the Street Division generates approximately \$52,350 annually, with estimated annual cost of administration, and inspections of \$38,335. Officials estimate an annual loss of \$14,015.

Officials stated that there is 1 full-time employee, and 3 part-time employees that administer the taxicab program for the City of St. Louis. Officials assume they would lose fee monies as well as cost of operation of a taxicab regulation and inspection program. Officials assume that any

ASSUMPTION (continued)

unspent funds would go to the Taxicab Commission. Officials stated that the City or County could appropriate money to the new Commission, however, officials stated that decision would be left to the City's Administration.

St. Louis County did not respond to this fiscal note request, however, in response to almost identical legislation from this session, the following fiscal impact estimates were submitted:

Officials of the office of the **Director of Administration of St. Louis County** stated that the County currently sets licensing and inspection fees for taxicab administration and regulation with the goal of offsetting their costs of providing these services. Officials assume under this proposal St. Louis County would lose fee revenues, but would also lose responsibility for the corresponding regulatory costs. The net effect should be cost neutral to St. Louis County.

Oversight assumes that the Regional Taxicab Commission would receive revenues from licenses, inspection fees, unexpended balances from existing city and county funds, etc., and would realize cost from inspections, code enforcement, and administration of the commission. Oversight assumes that in a given year, cost of administration of the commission would not exceed revenues, therefore, Oversight will show fiscal impact to the Regional Taxicab Commission as \$0. The City and County would lose revenues from inspection fees, licenses, etc., however, they would realize savings from the costs of code or ordinance enforcement, inspections, regulation, and administration. Oversight assumes loss of revenue and savings would equal resulting in no fiscal impact to the City and County. This proposal does not mandate an appropriation from the City or County to the Regional Taxicab Commission.

SECTION 92.045 - Missouri-St. Louis Metropolitan Airport Authority

Officials with the **Department of Transportation (MoDOT)** assume the proposal has no fiscal impact on their agency but notes that it could have an adverse affect on federal and state funding for development of Lambert and Spirit of St. Louis Airports because it confuses who actually controls the airports.

Officials with the **City of St. Louis (STL)** did not respond. **Oversight** assumes STL's response would be similar to their response to LR 2713-01N. In this response, STL indicated during a telephone conversation that they will use their response from the identical LR 0334-02 (2001 Session). The response is to be updated to reflect \$935 million in outstanding airport debt as of June 30, 2001. STL's response from LR 0334-02 is as follows:

“Officials with the **City of Saint Louis (STL)** indicated that according to a legal interpretation from the City Counselor's office, the proposal would transfer responsibility for all bonded indebtedness and other obligations of Lambert Airport to the state, as the Missouri-St. Louis ASSUMPTION (continued)

Metropolitan Airport Authority is a state agency. Figures provided indicated that the airport had

estimated outstanding bonded indebtedness and construction liabilities of approximately \$935 million, as well as possible costs for nuclear waste clean-up under federal Superfund legislation estimated at \$325 million.”

The **St. Louis Metro Airport Authority of Lambert International Airport** responded that they are opposed to the proposal for a number of reasons. Among other reasons, the Authority noted that the proposal does not provide funding for the Authority or for the costs of operations, the costs would be in excess of seven figures, the city would be relieved of any responsibility to operate the Airport, and the proposal is believed to be a direct violation of certain covenants governing the issuance of Airport Revenue Bonds and therefore could place at risk all outstanding bonds issued by the City.

Oversight notes that the effective date of the proposal is January 1, 2005. Oversight further notes that the proposal states that “the authority shall honor all bonds, debts, outstanding obligations and contracts of any airport or airport authority affected by this section.” However, Section 305.520, RSMo currently allows the Missouri-St. Louis Metropolitan Airport Authority to assume and pay or guarantee the payment of the principal and interest of any bonds secured by any airport in the Missouri-St. Louis metropolitan area. It further states that such an assumption or guaranty does not constitute a debt of the Authority or the state of Missouri within the meaning of the constitution and state law. Therefore, Oversight assumes there would be no state fiscal impact as a result of this provision. However, this assumption is also based on revenues earned by the airport being adequate to service all outstanding indebtedness and obligations. If airport revenues are not adequate to service the outstanding debt, then the state could potentially be required to honor the debt in order to maintain the state’s current bond rating.

SECTION 136.055 - License and Driver License Fees

Officials with the **Department of Revenue (DOR)** estimated that the imposition of the Fee Office fees on Branch Office transactions would bring in approximately \$12,909,121 to the Department of Revenue Subaccount in the Highway Fund. Officials estimated administrative and system programming costs of \$98,129 in FY 2003 in order to effect the changes required by this section of the proposal.

SECTION 142.803 - Removal of Sunset Clause for the 1992 motor fuel tax increase

Officials with the **Department of Transportation (MoDOT)** notes that the proposal would remove the sunset clause for the previously approved \$0.06 fuel tax increase that is currently scheduled to expire on April 1, 2008

ASSUMPTION (continued)

MoDOT anticipates as a long term implication the removal of the sunset clause would be to prevent the loss of fuel tax revenues as follows: FY 2008–\$20,837,000; FY

2009--\$253,047,000.

Officials of the **Office of Administration's Division of Budget and Planning** estimated net gallons of motor fuel sales for FY 2003 of 3,949,463,106 and assumed sales would increase 1.5% per year. A one-cent increase in motor fuel tax would yield an additional \$39,494,631 in FY 2003. The additional money would be divided among the state (70% or \$27,646,241), cities (15% or \$5,924,195) and counties (15% or \$5,924,195).

SECTION 144.020 - Sales/Use Tax Increase

Officials of the **Office of Administration's Division of Budget and Planning** has estimated that a one percent (1%) increase in sales tax would yield \$648,233,000, of which \$75,666,000 would be due to taxes on motor vehicles. **Oversight** assumes collections for a 3/4% sales tax for five months of FY 2003 would be \$178,927,187 and would be distributed as follows in FY 2003:

Missouri State Highway Patrol Fund (20%) - \$11,182,949

State Transportation Fund - \$32,206,894

State Road Fund - \$135,537,344

Distribution of the sales taxes derived from motor vehicle sales (\$23,645,625) would be:

State Road Fund (75%) - \$17,734,219

Cities (15%) - \$3,546,844

County Aid Road Trust (10%) - \$2,364,562

Distribution of the use taxes derived from motor vehicle sales (\$3,894,063) would be:

State Road Fund (75%) - \$2,920,547

Cities (15%) - \$584,109

County Aid Road Trust (10%) - \$389,406

Distributions in later years assumes four percent (4%) per year increases in sales tax collections.

ASSUMPTION (continued)

SECTION 144.805 - Removal of limitations on transfers to the Aviation Trust Fund (and extension of the sunset date from December 31, 2003 to December 31, 2008) and SECTION

GVB:LR:OD (12/00)

305.230 - State aeronautics program

Officials with the **Office of Administration – Budget and Planning (BAP)** assume this proposal removes the sunset on the transfer of sales and use tax on jet fuel to the Aviation Trust Fund and the cap that limits the transfer to \$5 million annually. If the sunset was not removed this money would go to General Revenue (GR) starting on 1/1/04. In calendar years (CY) 2000 and 2001 sales and use tax on jet fuel was \$5.1 million annually. If the sunset was not removed, GR would receive \$2,550,000 in fiscal year (FY) 04 for the collections in the first half of CY 04, and \$5,100,000 in FY 05. Removing the sunset is a loss to GR and a gain to the Aviation Trust Fund.

BAP notes that since they do not directly collect the motor fuel tax receipts, any revenue or cost derived from repealing the sunset on the motor fuel tax is unknown.

MoDOT officials assume the legislation would particularly affect the Aviation program, since taxes collected upon aviation jet fuel are deposited in the Aviation Trust Fund and used to fund airport construction and improvements. The proposal would eliminate the cap on the amount of aviation jet fuel taxes that may be deposited in the Aviation Trust Fund. The cap is \$5,000,000 per year. The proposal would also reduce the amount of local matching funds political subdivisions would have to provide toward completion of an airport improvement project from 20% to 10%. This change in the matching percentage would make the program consistent with the federal program (and make larger projects more affordable for smaller rural airports).

MoDOT officials note that currently, aviation fuel tax collections are approximately \$4.5 million per year, which is within the \$5 million per year limit established under current law. The proposed legislation removes the \$5 million limit on collections of jet fuel taxes but it also extends the fuel tax exemption for certain carriers. Therefore, the proposed legislation is not expected to generate any additional revenues for airport construction and improvements.

The legislation would also allow MoDOT to continue funding the Aviation program through December 31, 2008.

Oversight assumes that Local Governments would realize cost savings of matching dollars due the proposal reducing matching percentages from 20% to 10%. However the amount of savings is not known.

SECTION 155.080 - Aviation Fuel Tax refunds for commercial agricultural aircraft use

ASSUMPTION (continued)

Oversight assumes that, since the “unclaimed” refunds will continue to be deposited in the Aviation Trust Fund, there will be no fiscal impact.

SECTION 226.030 - Transportation Commission

Department of Transportation officials estimate savings of \$29,400 annually because Commissioners would not receive \$25/day or expenses for meetings

SECTION 226.137 - Bonded Indebtedness Authority

Officials of the **Department of Transportation** noted that this section would not take effect until 2007 and that issuance of new bonds would depend upon authorization by the General Assembly.

SECTION 226.220 - Limits on Highway Fund Expenditures for State Agencies

Officials of the **Department of Transportation** noted that this section would cause savings to the Highway Fund and costs to the General Revenue Fund beginning in FY 2004. Officials from the **Office of Administration's Division of Budget and Planning** estimate a cost shift of \$73,455,342 when the changes are fully phased in. Increased costs to general revenue would be \$14,691,068 in FY 2004 and \$29,382,137 in FY 2005.

SECTIONS 226.540 through 226.585 and 226.730 - Billboard and Junkyard Regulation

Officials with the **Department of Transportation (MoDOT)** stated the total number of permits issued from applications received between October 1999 and December 2000 was 746. The total number of permits were divided by the 15 months in the period to arrive at the average number of permits per month from applications (746 total permits/15 months = 50 average number of permits per month). The average number of permits per month were then multiplied times the number of months in a year to arrive at the average number of permits per year (50 X 12 = 600). The average number of permits in a year were multiplied times the difference in the increase permit fee and the current permit fee to arrive at a \$102,900 increase in revenue from the proposed increase in application fee ($[600(\$200.00 - \$28.50)] = \$102,900$).

MoDOT notes that currently, there are 11,260 non-exempt signs in Missouri. These signs are due to be renewed every two years, therefore the number of non-exempt signs were divided by 2 to arrive at the average number of permit renewals per year (11,260 non-exempt signs/2 years = 5,630 average permit renewals/yr). The average number of permit renewals per year were then multiplied times the difference in the FY03, FY04 and FY05 increase permit renewal fee and the current permit renewal fee to arrive at the increase in revenue from the proposed increase in ASSUMPTION (continued)

renewal fee for FY03 - $[5,630(\$50.00 - \$28.50)] = \$121,045$; FY04 - $[5,630(\$75 - \$28.50)] = \$261,795$; and FY05 - $[5,630(\$100 - \$28.50)] = \$402,545$. The total increase in revenue from the proposed increase in renewal fee would be \$785,385.

The total increase in revenue from this legislation will be \$186,621 for 10 months in FY03 (\$85,750 increase in application fee + \$100,871 increase in the renewal fee); \$364,695 for FY04 (\$102,900 increase in application fee + \$261,795 for the increase in the renewal fee); and \$505,445 for FY05 (\$102,900 increase in the application fee + \$402,545 increase in the renewal fee). **Oversight** assumes that because the proposal contains an election clause, the total revenue increase in FY 2003 would be \$111,973 for 6 months.

Department of Transportation officials did not estimate additional funds from the increases in junkyard fees because most junkyards are not licensed and the increase would be minimal.

Department of Transportation officials noted that officials of the Jefferson City Division Office of the Federal Highway Administration believe that extensions and cutouts on non-conforming signs are upgrades and not allowed under federal regulations pursuant to 23 C.F.R. 750.707(d)(5). Extensions and cutouts are allowed in 226.540(2)(a). If this language remains in the proposal Missouri could be penalized 5% of its highway apportionment in the first year of noncompliance and 10% in subsequent years. **Oversight** notes that there would need to be a final determination that Missouri is out of compliance and that even after that determination Missouri would probably be given a change to be in compliance before penalties would be administered. Therefore, no penalties are shown in the period covered in this fiscal note.

SECTION 227.107 - Design/Build Contracts

Budget And Planning officials note that they are unaware of any revenue or cost implications associated with MoDOT design-build contracts.

MoDOT officials stated that the legislation would authorize MoDOT to enter into a Design/Build contract. The Highways and Transportation Commission would choose a project from projects approved by the East-West Gateway Coordinating Council and included in the statewide transportation program approved by the Commission.

MoDOT assumes the legislation could have an impact upon the cost of highway projects and maintenance activities; however, whether the impact will be positive or negative is unknown. MoDOT would also be required to comply with extensive reporting requirements for the design-build project that could increase the costs of the project. It is possible that any cost savings achieved through the design/build concept could be at least partially negated by the increased reporting costs.

ASSUMPTION (continued)

SECTION 227.108 - Disadvantaged Business Enterprise (DBE) Participation Plans

Officials of the **Department of Transportation** would not expect significant fiscal impact due to these provisions. They also noted that DBE requirements currently only apply to federally

funded projects pursuant to 49 CFR Part 26. They said that they believe such requirements on state projects may violate the Missouri constitution.

SECTION 233.298 - Road District Dissolution

In response to identical legislation from this session (3591-01, HB 1405) the **Department of Transportation** stated there would be no fiscal impact to their department.

Jasper County did not respond to fiscal note request.

Oversight assumes this proposal is enabling legislation which provides for a procedure for Jasper County to abolish special road districts. This proposal does not require the abolition of special road districts, therefore, Oversight assumes no fiscal impact.

SECTION 234.032 - Nonstate Highway System Bridges

Oversight notes that this proposal only allows the General Assembly to appropriate funds for upgrading these bridges. Oversight also notes that the proposal authorizes appropriations from "the state revenue fund", which is not the name of any existing state fund. Oversight assumes that the University of Missouri at Rolla would not use state funds to match the state funds appropriated for the project.

Officials of the **Department of Transportation** stated that they would request additional resources for these provisions if any are needed after moneys have been appropriated.

For fiscal note purposes, Oversight will show a cost of \$0 to \$1,000,000 to the General Revenue Fund.

SECTION 302.129 - Advisory Committee for the Department of Revenue

Officials of the **Department of Revenue** noted that the proposal would allow for the re-establishment of the Committee and would have minimal administrative impact.

SECTION 302.341 - Cities' Revenue from Traffic Violations

Officials of the **State Auditor's Office** assume that they would carry out duties under terms of ASSUMPTION (continued)

this proposal with existing resources.

Officials of the **Office of State Courts Administrator** stated that they have no way of knowing how many municipalities generate excess revenue from these fines. Therefore, officials cannot estimate fiscal impact.

Officials of the **Department of Elementary and Secondary Education** assume there would be no state cost to the foundation formula associated with this bill. Officials stated that their department is not able to estimate how much additional money might be collected by the DOR, to distribute to schools. **Any increase in the money distributed to schools becomes a deduction in the foundation formula the following year. Therefore, the affected school districts would see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts would not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts would simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula with a proration factor of 1.00.**

SECTION 302.720 - Commercial Motor Vehicle Licenses

Officials of the **Department of Natural Resources** stated that they did not see any fiscal impact on their agency due to this proposal.

Department of Revenue officials report that the Highway Patrol completes an average of 39,672 commercial driver written examinations and 8,172 commercial skills examinations, annually. The current charge is \$5 per examination. The proposal would increase that to \$25 per examination and would appropriate the state portion to the Commercial Driver License Examination Fund. Assuming the proposal affects 6 months of FY 2003:

23,942 exams x \$25 = \$598,550

75% - Commercial Driver License Examination Fund - \$448,913

15% - Cities - \$89,783

10% - Counties - \$59,854

FY 2004 and FY 2005

47,884 exams x \$25 = \$1,197,100

ASSUMPTION (continued)

75% - Commercial Driver License Examination Fund - \$897,825

15% - Cities - \$179,565

10% - Counties - \$119,710

The Highway Fund would lose \$89,783 in FY 2003 and \$179,565 in subsequent years.

The net increase to cities would be \$71,826 in FY 2003 and \$143,652 in subsequent years.

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The net increase to counties would be \$47,883 in FY 2003 and \$95,768 in subsequent years.

SECTION 304.001 - Definition of Abandoned Property

Officials of the **Department of Transportation** and the **Missouri State Highway Patrol** stated that they would carry out duties under terms of these provisions with current resources.

SECTION 304.153 - Stationary Motor Vehicles

Officials from the **Office of State Courts Administrator (CTS)** states the proposal would require vehicles on a four-lane highway to change lanes when approaching a disabled vehicle or a tow truck. Violations of this are infractions. CTS assumes that while there may be a number of technical violations, CTS would not expect the actual number of cases filed to significantly increase the workload of the courts.

Officials from the **Department of Revenue** state the new infractions created under this legislation will be minimal and can be handled with existing resources.

Officials from the **Department of Public Safety - Division of Highway Safety** and **Missouri Highway Patrol**, **Department of Transportation**, **Office of Prosecution Services** and the **Office of the State Public Defender** each assume this proposal would not fiscally impact their respective agencies.

SECTION 304.157 - Abandoned Property Reports

Officials of the **Department of Public Safety- State Highway Patrol** assume no fiscal impact.

Officials of the **Department of Revenue** stated that currently the DOR supplies forms to all towers. This proposal adds a section re: abandoned property for single unit residential property. This change requires revisions to the current forms and will also require mailing of these forms to all towers, and now law enforcement. Officials estimate the one-time cost to implement this legislation at approximately \$7,610. This cost includes policy and procedural changes, form ASSUMPTION (continued)

changes, envelopes, and postage for mailing of new forms to towers and law enforcement.

Officials of the **City of Springfield** assume no fiscal impact.

SECTION 304.370 - Transportation of Hazardous Materials

Officials at the **Department of Transportation** assume that they would need to post signs at either end of the one affected tunnel at a cost of \$500 to the State Road Fund.

SECTIONS 305.700 TO 305.714 - Airport Protection Act

The **Office of the Secretary of State (SOS)** assumes the bill requires the Department of Transportation to promulgate rules to create the Missouri Airport Protection Act. The Transportation Commission will issue permits as they pertain to standards for determining obstructions and navigable airspace. Based on experience with other divisions, the rules, regulations, and forms issued previously by the Department of Transportation; the promulgation of these rules could require as many as 10 pages in the Code of State Regulations. For any given rule, approximately one and one-half times as many pages are published in the Missouri Register, as compared to those published in the Code, because cost statements, fiscal notes, etc. are not reprinted in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00; the estimated cost of a page in the Code of State Regulations is \$27.00. The total costs for the Code of State Regulations could be \$270 (10 pages x \$27) while the total costs for the Missouri Register could be \$345 (15 pages x \$23). Therefore, the total estimated costs incurred would be \$615 (\$345 + \$270). The actual cost could be more or less than the numbers provided. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules files, amended, rescinded and/or withdrawn.

Oversight assumes the **SOS** could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the **SOS** could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials with the **Department of Transportation (MoDOT)** assume this proposal would require 1 additional FTE (Airspace Coordinator) with the annual salary of \$42,538. The duties of an Airspace Coordinator would include receive, process and evaluate tall structures permits; conduct airspace studies to determine possible impacts from tall structure; work with local governmental agencies and tall structure applicants to minimize aviation impacts; an establish an educational program for public use airport owners about airport protection and compatible land uses.

ASSUMPTION (continued)

Per section 305.714.1, there is potential income for administrative fees, however an estimate can not be provided without the MHTC's approval on the fee amount.

All expenditures for this legislation will have to be paid from general revenue or special funding only.

The **Office of Administration–Division of Design & Construction** assumes the proposal would have no fiscal impact on their agency.

SECTIONS 307.205 TO 307.211 - Electric Personal Assistive Mobility Devices

Officials from the **Missouri Department of Revenue (DOR)**-Division of Motor Vehicle and Drivers Licensing assume mobility device meets the definition of motor vehicle and could technically be subject to titling and registration requirements. However, DOR assumes even if these devices are required to be titled and registered, the department anticipates the number of these types of vehicles to be minimal and no additional funds will be requested through appropriations.

Officials from the **Department of Transportation (DHT)** assume the proposal allows restricted vehicles to operate on any road in the state. The speed differential could cause issues with the motoring public. As with bicycles, DHT will then be required to provide safe travel routes for vehicles that do not contribute to the Highway Trust Fund.

Oversight assumes cities and counties could impose additional regulations on the devices and avoid the costs on streets and county roads as DHT would incur on state and federal highways.

SECTIONS 436.300 - 436.336 - Retainage

Officials from the **Office of Administration - Division of Design and Construction, Department of Transportation, Department of Conservation, Department of Labor and Industrial Relations,** and the **Office of the State Courts Administrator** assume the proposed legislation would have no fiscal impact on their agencies.

FLEET MANAGER

This proposal is similar, but not identical to another proposal offered this session. The Oversight Subcommittee of the Committee on Legislative Research made a ruling on the fiscal note for that proposal and that fiscal impact will be incorporated into the fiscal impact for this proposal.

GENERALLY

ASSUMPTION (continued)

Officials with the **Office of the Secretary of State (SOS)** assume this bill extends the motor fuel tax rate, authorizes the Department of Revenue to collect an aviation fuel sales tax, (both of which revenues shall be used by the Highways and Transportation Commission for transportation) and aeronautical improvements. The Missouri State Highways and Transportation Commission and the Department of Revenue may promulgate rules to implement this bill. They also assume this proposal changes the locations, spacing, fees and penalties pertaining to outdoor highway advertising signs. The proposal authorizes the Missouri Highways and Transportation Commission to adopt and amend administrative rules explaining these changes. Based on experience with others divisions, the rules, regulations, and forms issued by the Missouri Highways and Transportation Commission could require as many as 32 pages in the Code of State Regulations. For any given rule, roughly one and a half as many pages (24) are published in the Missouri Register as in the Code because cost statements, fiscal notes, and the

like are not repeated in Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. Therefore, the printing costs for the Missouri Register are \$1,104 (\$23 x 48). The printing costs for the Code are \$864 (\$27 x 32). The total printing costs are then \$1,968 (\$1,104 + \$864). These costs are estimated.

Oversight assumes the **SOS** could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass, which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

SECTION B - Election Clause

Advertisement costs for the proposal are estimated by the **Office of the Secretary of State (SOS)**. Statewide newspaper publications of constitutional amendments cost approximately \$1,157 per newspaper column inch based on estimates provided by the Missouri Press Service, which is then multiplied by three (3) for three multiple printings of the text of the proposal, the introduction, title, fiscal note summary, and affidavit as required by the Constitution and State Statute. Therefore, the proposal would cost \$3,471 per column inch (\$1,157 x 3). The SOS estimates the total number of inches for the amendment to be 250 inches. Therefore, the total cost to the General Revenue fund would be \$867,750 (\$3,471 x 250). The proposal would be on the ballot for the November 2002 general election.

SECTION C - Referenda on Continuing Sales and Motor Fuel Tax Increases

The election costs for this provision would be outside the scope of the fiscal note.

| <u>FISCAL IMPACT - State Government</u> | FY 2003 | FY 2004 | FY 2005 |
|--|-------------|----------------------|----------------------|
| GENERAL REVENUE FUND | | | |
| <u>Cost</u> - Highway Fund Agencies | \$0 | (\$14,691,068) | (\$29,382,137) |
| <u>Cost</u> - Appropriation to Non-State Bridge Projects | \$0 | (\$0 to \$1,000,000) | (\$0 to \$1,000,000) |
| <u>Cost</u> - Department of Revenue | | | |
| Programming and Overtime Costs | (\$68,002) | \$0 | \$0 |
| <u>Loss</u> - MoDOT | | | |
| Aviation Fuel Tax | \$0 | (\$2,550,000) | (\$5,100,000) |
| <u>Cost</u> - Secretary of State Advertisement Costs | (\$867,750) | \$0 | \$0 |
| <u>Revenue - DOR</u> | | | |
| Remittance of 1% Vehicle Fleet Fee | \$5,779 | \$5,949 | \$6,123 |

| <u>FISCAL IMPACT - State Government</u> | FY 2003 | FY 2004 | FY 2005 |
|--|---------------------------|--|--|
| <u>Costs - DOR</u> | | | |
| Administrative Costs | (\$5,779) | (\$5,949) | (\$6,123) |
| <u>Savings</u> - Less appropriation to State School Monies Fund | Unknown | Unknown | Unknown |
| <u>Income - MoDOT</u> | | | |
| Administrative Fees | Unknown | Unknown | Unknown |
| <u>Cost - MoDOT</u> | | | |
| Personal Service | (\$35,448) | (\$43,601) | (\$44,691) |
| Fringe Benefits | (\$15,023) | (\$18,478) | (\$18,940) |
| Expense and Equipment | (\$9,305) | (\$1,514) | (\$1,559) |
| ESTIMATED NET EFFECT TO GENERAL REVENUE FUND | <u>(\$995,528)</u> | <u>(\$17,304,661 to \$18,304,661)</u> | <u>(\$34,547,327 to \$35,547,327)</u> |
| AVIATION TRUST FUND | | | |
| <u>Revenue - MoDOT</u> | | | |
| Aviation Fuel Tax | <u>\$0</u> | <u>\$2,550,000</u> | <u>\$5,100,000</u> |
| ESTIMATED NET EFFECT TO AVIATION TRUST FUND | <u>\$0</u> | <u>\$2,550,000</u> | <u>\$5,100,000</u> |
| ROAD FUND | | | |
| <u>Income</u> - "Regular" Sales Tax Increase | \$135,537,344 | \$338,301,211 | \$351,833,259 |
| <u>Income</u> - "Motor V" Sales Tax Increase | \$17,734,219 | \$44,264,610 | \$46,035,194 |
| <u>Income</u> - Use Tax Increase | \$2,920,547 | \$7,289,684 | \$7,581,272 |
| <u>Income</u> - Motor Fuel Tax Increase | \$34,557,801 | \$84,182,804 | \$85,445,546 |
| <u>Revenues-MoDOT</u> | | | |
| Increased Application Fees (Billboards) | \$51,450 | \$102,900 | \$102,900 |
| Increased Renewal Fees (Billboards) | \$60,523 | \$261,795 | \$402,545 |
| <u>Savings</u> - Costs Switched to General Revenue | \$0 | \$14,691,068 | \$29,382,137 |
| <u>Cost</u> - Signs at Tunnel | (\$500) | \$0 | \$0 |
| <u>Loss</u> - CDL Fees | (\$89,783) | (\$179,565) | (\$179,565) |

FISCAL IMPACT - State Government FY 2003 FY 2004 FY 2005

ESTIMATED NET EFFECT TO ROAD FUND* **\$190,771,601** **\$488,914,507** **\$520,603,288**

*Does not include possible savings or costs from design/build project and contract or costs for safe travel routes for electric personal assistance mobility devices.

COMMERCIAL DRIVER LICENSE EXAMINATION FUND

Income - \$25 CDL fee (75%) \$448,913 \$897,825 \$897,825
Cost - Third-Party Commercial Driver License Examination Program (\$448,913) (\$897,825) (\$897,825)

ESTIMATED NET EFFECT ON COMMERCIAL DRIVER LICENSE EXAMINATION FUND **\$0** **\$0** **\$0**

HIGHWAY FUND

Cost - Department of Revenue Programming and Mailing Costs (\$104,839) \$0 \$0
Income - Department of Revenue Subaccount (Branch Office Transaction Fees) \$0 \$12,909,121 \$12,909,121

ESTIMATED NET EFFECT ON HIGHWAY FUND **(\$104,839)** **\$12,909,121** **\$12,909,121**

STATE TRANSPORTATION FUND

Income - Sales Tax Increase \$32,206,894 \$80,388,407 \$83,603,944

ESTIMATED NET EFFECT ON STATE TRANSPORTATION FUND **\$32,206,894** **\$80,388,407** **\$83,603,944**

MISSOURI STATE HIGHWAY PATROL FUND

Income - Sales Tax Increase \$11,182,949 \$27,912,641 \$29,029,146

| <u>FISCAL IMPACT - State Government</u> | FY 2003 | FY 2004 | FY 2005 |
|--|-----------------------------|-----------------------------|-----------------------------|
| ESTIMATED NET EFFECT ON MISSOURI STATE HIGHWAY PATROL FUND | <u>\$11,182,949</u> | <u>\$27,912,641</u> | <u>\$29,029,146</u> |
| OFFICE OF ADMINISTRATION REVOLVING FUND | | | |
| <u>Revenue - COA</u> | | | |
| State Vehicle Fleet Fee | \$583,720 | \$600,815 | \$618,412 |
| <u>Costs - DOR</u> | | | |
| Deposit to General Revenue | (\$5,779) | (\$5,949) | (\$6,123) |
| <u>Costs - COA</u> | | | |
| Fleet Information System | (\$456,348) | (\$470,038) | (\$484,140) |
| Software Support | (\$25,000) | (\$25,750) | (\$26,523) |
| Personal Service (1.25 FTE) | (\$60,726) | (\$62,244) | (\$63,800) |
| Fringe Benefits | (\$21,867) | (\$22,414) | (\$22,974) |
| Expense and Equipment | <u>(\$14,000)</u> | <u>(\$14,420)</u> | <u>(\$14,852)</u> |
| Total <u>Costs</u> - COA | (\$577,941) | (\$594,866) | (\$612,289) |
| ESTIMATED NET EFFECT ON OFFICE OF ADMINISTRATION REVOLVING FUND VARIOUS STATE FUNDS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Savings - All State Agencies</u> | | | |
| Increased Efficiencies | \$105,000 to \$583,720 | \$108,150 to \$600,815 | \$111,395 to \$618,412 |
| <u>Costs - All State Agencies</u> | | | |
| Payments to Office of Administration for Vehicle Fleet Fees | (\$105,000 to \$583,720) | (\$108,150 to \$600,815) | (\$111,395 to \$618,412) |
| ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| STATE SCHOOL MONIES FUND | | | |
| <u>Savings</u> - Less distribution of money to certain schools. | Unknown | Unknown | Unknown |

| <u>FISCAL IMPACT - State Government</u> | FY 2003 | FY 2004 | FY 2005 |
|---|-------------------|-------------------|-------------------|
| Loss - Less transfer of money from GR | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT TO SCHOOL MONIES FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2003 | FY 2004 | FY 2005 |
|---|---------------------------|----------------------------|----------------------------|
| POLITICAL SUBDIVISIONS | | | |
| <u>Savings</u> – Decreased Match Percentage on Airport Projects | Unknown | Unknown | Unknown |
| <u>Cities: Income</u> - Sales and Use Tax Increases | \$4,103,953 | \$10,310,859 | \$10,648,293 |
| <u>Counties: Income</u> - Sales and Use Tax Increases | \$2,753,966 | \$6,873,906 | \$7,126,363 |
| Cities - \$20 additional CDL fee (15%) | \$71,826 | \$142,652 | \$142,652 |
| Counties - \$20 additional CDL fee (10%) | \$47,883 | \$95,768 | \$95,768 |
| <u>Counties and Cities: Costs</u> - Establishing Safe Travel Routes | (Unknown) | (Unknown) | (Unknown) |
| ESTIMATED NET EFFECT TO CITIES AND COUNTIES* | <u>\$6,977,628</u> | <u>\$17,423,185</u> | <u>\$18,013,076</u> |

*Does not include savings for decreased matches on airport projects or costs for establishing safe travel routes for electric personal assistance mobility devices.

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT

| | | | |
|---------------------------------|-------------------|-------------------|--------------------------------------|
| <u>Cost</u> – Operational Costs | <u>\$0</u> | <u>\$0</u> | <u>(\$500,000 to Unknown)</u> |
|---------------------------------|-------------------|-------------------|--------------------------------------|

ST. LOUIS CITY AND COUNTY

| | | | |
|---|------------------|------------------|------------------|
| Savings - to City and County loss of duties of taxicab administration, and regulation, code enforcement. | Unknown | Unknown | Unknown |
| Loss of Revenue from taxicab licensing, and inspection fees, unspent fund monies | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |

FISCAL IMPACT - Local Government

FY 2003

FY 2004

FY 2005

**ESTIMATED NET EFFECT TO ST.
LOUIS CITY AND COUNTY ***

\$0

\$0

\$0

*** St. Louis City estimates an annual
loss of revenue of approximately
\$14,000.**

FISCAL IMPACT - Small Business

Small businesses which operate highway billboards or tow abandoned property or which make sales or purchases at retail would be affected by this proposal.

DESCRIPTION

This proposal would remove the 2008 sunset on the 6-cent motor fuel tax, increase the motor tax an additional three cents and would increase the state's sales and use tax by three-quarters of one percent. The proposal specifies the uses of the additional funds. The act would also authorize the Department of Transportation to enter into a design-build project within the next ten years.

It would remove the cap on the amount of aviation jet tax revenues which may be deposited in the Aviation Trust Fund. Current law only permits \$5 million of the aviation jet fuel tax revenues
DESCRIPTION (continued)

to be placed in the fund. This act would also extend the sunset on the aviation jet fuel tax section to December 31, 2008. Under current law, the commission may match state funds at a 80% level and locals at a 20% level. This would change to a 90/10 formula. This would also modify the language regarding the deposit of unclaimed aviation fuel refunds. The current law states that "If any person fails to apply for a refund as provided in Chapter 142, RSMo, he makes a gift of his refund to the Aviation Trust Fund." The new language simply states that the refund amount will be deposited in such fund.

The proposal contains changes which would affect aspects of many provisions affecting modes of transportation in Missouri. Some of the other changes are as follows.

This proposal would also change the procedures for appointing members of the Missouri Department of Highways and Transportation Commission.

This act would prohibit persons from transporting hazardous materials through highway tunnels. This act also prohibits parking vehicles containing hazardous materials within 300 feet of a highway tunnel unless allowed by federal regulations. Violation of this act is a Class. B misdemeanor for the first offense, and a Class. A misdemeanor for a second or subsequent offense.

This act would make various changes to Missouri's billboard law.

It would also authorize spending on projects to improve nonstate highway bridges.

This proposal would allow electric personal assistance mobility devices to be operated upon any street, highway, sidewalk, or bicycle path. Any person operating a device will be treated and granted the same rights as a pedestrian.

This proposal contains an election clause.

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

SOURCES OF INFORMATION

Office of Administration

 Division of Design and Construction

 Division of Budget and Planning

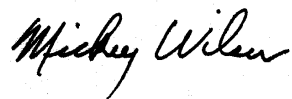
Department of Transportation

Department of Revenue

Department of Natural Resources

Department of Public Safety

Secretary of State



Mickey Wilson, CPA

Acting Director

May 13, 2002