

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4670-09  
Bill No.: Perfected SCS for SB 1202  
Subject: Transportation  
Type: ##Corrected  
Date: April 8, 2002  
 ##To detail Department of Economic Development transfers to Department of Transportation

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$10,273)	(\$10,530)	(\$10,793)
##Highway*	\$154,848	\$0	\$0
Railroad Expense**	\$0	\$0	\$0
<b>##Total Estimated Net Effect on All State Funds</b>	<b>\$144,575</b>	<b>(\$10,530)</b>	<b>(\$10,793)</b>

\*Savings and costs of about \$5.3 million net to zero

\*\* Savings and costs of about \$750,000 net to zero

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

\*\*\*Savings and costs of \$1,025,698 net to zero.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Official of the **Missouri State Employees' Retirement System (MOSERS)** noted that the one administrative law judge of the Division of Motor Carrier and Railroad Safety would be removed from the covered payroll for general state employees participating in the Missouri State Employees' Plan (MSEP) and added to the payroll for individuals covered by the Administrative Law Judges Legal Advisors Plan (ALJLAP). The net effect of this is an increase in contributions of 11.21% (20.02% - 8.81%) of pay, or \$10,291 based on an Administrative Hearing Commissioner Salary of \$91,800 per year.

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials of the **Secretary of State (SOS)** stated that this proposal would establish the Division of Motor Carrier Services in the Department of Transportation and abolish several divisions whose powers would be transferred to the new Division. The Department of Transportation, Department of Economic Development, Department of Revenue, and Department of Natural Resources would promulgate, rescind and move rules to carry out this proposal. Based on experience with other divisions, the rules, regulations and forms issued by the Public Service Commission could require as many as 326 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in *Missouri Register* as in the *Code* because cost estimates and fiscal notes are not repeated in the *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. The estimated cost of publication in FY 2003 for this proposal is \$20,049. Actual cost could be more or less and costs in future years would depend upon frequency and length of rules filed, amended, rescinded 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 of the **State Courts Administrator** indicated that the proposal would not directly affect state courts. Officials of the **Department of Transportation** stated that they assumed budgets for transferred agencies would be transferred to their agency and that costs, if any, for physical relocations would become budget decision items.

Officials of the **Department of Revenue** stated that the proposal should be revenue neutral from their point of view. There would be a one-time savings to their budget because the Highway Reciprocity Commission (35 FTE with a budget of \$1,578,305, not including fringe benefits) would be transferred to the **Department of Transportation**.

ASSUMPTION (continued)

Officials of the **Department of Natural Resources** stated that this proposal would not have any direct fiscal impact on their agency.

The newly created Motor Carrier Services Division of the Department of Transportation would take over the licensing of hazardous waste transporters from the Department of Natural Resources. Hazardous waste license fees would continue to accrue to the Hazardous Waste Fund.

All other Department of Natural Resources functions would remain as under current law.

Officials of the **Department of Economic Development's Division of Motor Carriers and Railway Safety (DED - MCRS)** stated that the proposal would transfer all existing federal and Highway Fund funded staff to the Department of Transportation, except for the Administrative Law Judge (ALJ) section, which would be transferred to the Administrative Hearing Commission in the Office of Administration.

Officials note that the ALJ section has three ALJ positions by statute but has only two Administrative Law Judges. They assume the two ALJs and the paralegal would be transferred to the Administrative Hearing Commission (AHC). They also assume that the ALJs and paralegal would become a responsibility of the General Revenue Fund. **Oversight** assumes that existing appropriations will follow personnel. Oversight also notes that the current proposal would transfer one ALJ to the AHC.

#MCRS officials note that 2 ALJ positions would be eliminated (only one is filled) and 48.5 MCRS staff would be transferred to the Department of Transportation. These positions are Highway Fund positions.

#Ten (10) MCRS staff who are Railroad Expense Fund positions would be transferred to MoDOT.

#11.6 FTE who are federally funded would be transferred to MoDOT.

Officials of the **Office of Administration - Administrative Hearing Commission** assume there would be no effect on their budget as long as the funding for the person transferred follows from the Division of Motor Carriers and Railway Safety.

Officials of the **Office of Administration - Division of Budget and Planning** indicated that this proposal would not directly affect their office or total state revenue.

Officials of the **Department of Transportation** assumed that the transfers of personnel, fringe benefits, expense and equipment would not have a net effect on state funds.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>HIGHWAY FUND</b>			
<u>Saving</u> - Department of Revenue (DOR)			
Personal Service (35 FTE)	\$993,732	\$0	\$0
Fringe Benefits	\$357,843	\$0	\$0
Expense and Equipment	<u>\$581,573</u>	<u>\$0</u>	<u>\$0</u>
Total Savings DOR	\$1,933,148	\$0	\$0
<u>#Saving</u> - Department of Economic Development - Division of Motor Carriers and Railway Safety (DED)			
## Personal Service (49.5 FTE)	\$1,859,136	\$0	\$0
Fringe Benefits	\$669,474	\$0	\$0
Expense and Equipment	<u>\$801,187</u>	<u>\$0</u>	<u>\$0</u>
#Total Savings DED	\$3,329,797	\$0	\$0
<u>Cost</u> - Department of Transportation (DHT)			
Personal Service (35 FTE)	(\$993,732)	\$0	\$0
Fringe Benefits	(\$357,843)	\$0	\$0
Expense and Equipment	<u>(\$581,573)</u>	<u>\$0</u>	<u>\$0</u>
Total Costs DHT	(\$1,933,148)	\$0	\$0
<u>#Cost</u> - Department of Transportation (DHT)			
Personal Service (48.5 FTE)	(\$1,767,499)	\$0	\$0
Fringe Benefits	(\$636,476)	\$0	\$0
Expense and Equipment	<u>(\$770,974)</u>	<u>\$0</u>	<u>\$0</u>
#Total Costs DHT	(\$3,174,949)	\$0	\$0
<u>Saving</u> - Department Economic Development			
Personal Service (1 FTE)	\$91,637	\$0	\$0
Fringe Benefits	\$32,998	\$0	\$0
Expense and Equipment	<u>\$30,213</u>	<u>\$0</u>	<u>\$0</u>
Total Savings Department of Economic Development	\$154,848	\$0	\$0
<u>Cost</u> - Office of Administration - Administrative Hearing Commission (AHC)			
Personal Service (3 FTE)	(\$91,637)	\$0	\$0



#Cost - Department of Transportation (DHT)

Personal Service (10 FTE)	(\$408,400)	\$0	\$0
Fringe Benefits	(\$147,065)	\$0	\$0
Expense and Equipment	(\$470,233)	\$0	\$0
#Total Savings DED	(\$1,025,698)	\$0	\$0

**ESTIMATED NET EFFECT ON FEDERAL FUNDS** **\$0** **\$0** **\$0**

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would transfer certain agencies and powers to a newly created Motor Carrier Services Unit within the Department of Transportation.

This proposal would implement the Governor's Executive Order 02-03 (February 7, 2002) which will transfer these agencies to the Department of Transportation so that commercial truck drivers can obtain licenses and other services from one Department. The concept is often referred to as a "One-Stop Shop".

The following agencies or powers would be transferred to the Department of Transportation:

- 1) the Division of Motor Carrier and Railroad Safety within the Department of Economic Development; 2) the Highway Reciprocity Commission within the Department of Revenue; and, 3) the powers of the Department of Natural Resources relating to the issuing of hazardous waste transporter licenses and waste tire hauling permits.

The Division of Motor Carrier and Railroad Safety and the Highway Reciprocity Commission would be abolished and would transfer the Motor Carrier Administrative Law Judge to the Administrative Hearing Commission (AHC) and extend jurisdiction to the AHC to conduct administrative hearings on motor carrier and railroad matters.

This proposal would allow employees transferred to the Department of Transportation who are DESCRIPTION (continued)

currently under the MOSERS retirement system to elect into the MoDOT retirement system.

This election would occur within 90 days of the effective date of this act. Any election to choose the MoDOT retirement system plan will result in the forfeiture of any rights or benefits in the MOSERS plan. If an employees chooses not to elect this option, the employee will remain in MOSERS plan (Section 104.805).

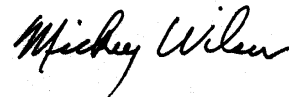
MOSERS would pay to the MoDOT retirement plan an amount actuarially determined to equal the liability transferred from the MOSERS plan. No employee could receive service credit for the same period of service under more than one retirement system.

This proposal contains an emergency clause and would become effective upon approval or July 1, 2002, whichever later occurs.

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 not affect Total State Revenue.

#### SOURCES OF INFORMATION

Department of Economic Development  
Department of Transportation  
Department of Natural Resources  
Department of Revenue  
Joint Committee on Public Employee Retirement  
Missouri State Employees' Retirement System  
Office of Administration - Administrative Hearing Commission  
Office of Administration - Division of Budget and Planning  
Office of the Governor



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Acting Director  
April 8, 2002