

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1760-06
Bill No.: SCS for HS for HB 668
Subject: Transportation Department, Transportation; Contracts and Contractors; Licensing-Motor Vehicle
Type: Original
Date: April 29, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Joint Contingent	(\$83,081 to Unknown)	(\$138,774 to Unknown)	(\$138,774 to Unknown)
Air Pollution Control	(\$15,167)	(\$16,500)	(\$16,500)
Highway Fund	(\$4,293)	\$858	\$0
Total Estimated Net Effect on Other State Funds	(\$102,541 to Unknown)	(\$154,416 to Unknown)	(\$155,274 to Unknown)

*Unknown cost for personal services is subject to appropriations

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

21.795

This section of the proposal could create a director position for the Joint Committee on Transportation Oversight. This office could receive funding from the joint contingent fund.

Officials with **Missouri Senate** were unavailable for a response, however from a similar proposal their office assumed that cost associated with this proposal could range from \$0 to in excess of \$150,000 per year based upon the staffing plan decided upon and subject to appropriations for said purpose. The agency further assumes that other joint legislative committees with staff typically have a minimum of a director and secretary with total salaries in the \$100,000 range and related ongoing expenses.

Expenses of this magnitude could not be absorbed by the current appropriations available in the Joint Contingent appropriation. Whether or not such expenses could be absorbed by the Senate and House contingent appropriations cannot be determined at this time.

ASSUMPTION (continued)

Officials with **Department of Transportation (MoDOT)** assume this section could allow JCTO to hire needed staff. MoDOT further assumes that there will be significant and on-going requests for information including reports and explanations of inquiries. Additionally, the additional required items for discussion by the JCTO in Section 21.795.4, could require more frequent reporting. Therefore, MoDOT assumes that one additional Senior Business Specialist will be needed to coordinate information requests/responses for the new JCTO. The salary for this employee is \$44,628 with standard office equipment and expenses.

Oversight assumes that MoDOT could handle the additional workload with existing staff.

Oversight assumes this proposal could create a director position for the Joint Committee on Transportation Oversight. This position would perform duties as assigned by the Joint Committee on Transportation. With information provided by Senate Administration and OA, **Oversight** assumes the following cost could be associated with this proposal.

Estimated Director Salary	\$60,323
Executive Secretary	\$33,380

Note: The Director could request additional personnel appropriations.

FY 04-Cost (Six Months)

Salaries	\$46,851
Fringe Benefits (40.47%)	\$18,960
Equipment (one time)	\$10,120
Expenses	\$4,150
Travel Expenses	\$3,000

FY 05-Cost

Salaries	\$93,703
Fringe Benefits	\$37,921
Expenses	\$4,150
Travel Expenses	\$3,000

FY 06-Cost

Salaries	\$93,703
Fringe Benefits	\$37,921
Expenses	\$4,150
Travel Expenses	\$3,000

ASSUMPTION (continued)

226.030 and 226.033

These sections of the proposal include provisions relating to the Department of Transportation Commission members.

Officials with MoDOT assume this section would have no fiscal impact on their agency.

226.096

This section of the proposal addresses the arbitration issues for certain disputes with MoDOT.

Officials with the **Office of State Courts Administrator** assume this proposal would have no fiscal impact on their agency.

Officials with MoDOT assume this proposal could provide that any controversy or claim more than \$25,000 on a contract award for highway and bridge projects (probably even design contracts) are to be settled by arbitration. However, both parties at least have to agree to such alternative dispute resolution. MoDOT assumes this could cost a substantial amount of money (Road Fund), but that amount is unknown.

Oversight assumes the potential unknown negative impact addressed by MoDOT is speculative in nature. The response addressed the possible secondary effects of the proposal, however, no direct fiscal impact was indicated.

238.207, 238.210, 238.215, 238.220, 238.235, 238.236 and 238.222

These sections of the proposal addresses highway districts and right of way.

Officials with DOR assume this section could authorizes political subdivisions to create a transportation development district. However, the language in Section 238.215 is not clear as to who is to administer and collect the tax created for funding the transportation district.

If the administration of the tax (Section 238.215) is to be handled by local authorities, this legislation is not in accordance with the Streamline Sales Tax Project (SSTP). Therefore, DOR assumes the responsibility of the collections of the district tax (Section 238.215), 692 hours of programming will be necessary, resulting in a total cost of \$23,085.

ASSUMPTION (continued)

Oversight notes that this proposal does not name DOR the collector of the local sales tax and additional program changes would not be needed. With further information from DOR, **Oversight** notes that SSTOP is not a federal mandate.

307.666

This section of the proposal could exempt motor vehicles manufactured 26 years prior to the current model year from emissions inspection and allows BAR-97 vehicle emissions test for residents in Franklin County to be conducted on a biennial basis.

Officials from the **Missouri State Highway Patrol** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the MoDOT assume there could be little to no fiscal impact on the department as a result of this legislation at this time. MoDOT officials state it is important to note that in the event that St. Louis is reclassified to a "serious" nonattainment area, the U.S. Environmental Protection Agency (EPA) could impose a 100 percent sanction on all federal funds to MoDOT or to St. Louis. The Clean Air Act contains more stringent requirements for the emissions inspection program in "serious" areas. The negative impact could be \$730,000,000.

Oversight assumes that action by the U.S. Environmental Protection Act (EPA) is a matter of speculation. Therefore, the possible loss of federal funds are not shown on the fiscal impact.

Officials with the **Department of Natural Resources (DNR)** note that switching to biennial emissions testing reduces state revenue from Franklin County by fifty percent. Officials estimate 44,000 annual paid inspections based on an estimate from the contractor performing the emission inspections. Each paid test results in \$0.75 in state revenue.

Oversight assumes that the effective date of this proposal is August 28, 2003. Therefore, **Oversight** prorated the loss of revenue to the indicated funds at ten months in FY 04.

ASSUMPTION (continued)

Officials with DOR assume this section could require their agency to edit the General Registration Systems renewal print program and the MORE system for Franklin County. This could require approximately \$3,764 in overtime for programming. DOR could also incur costs for policy and procedure changes and notifying the field of these changes in the amount of \$529.

DOR further notes the department would no longer issue annual tabs for individuals who have chosen biennial registrations. The department mails approximately 3,300 annual tabs (2nd year) to Franklin County residents who completed a one-year emission, and purchased a two-year vehicle registration. $3,300 \times \$0.26 = \858 Savings

FY 04 (10 mo)

Savings for tabs	\$858
Programming cost	(\$3,764)
Procedure changes	(\$529)
Loss of annual registration fees (18,333*.75 each)	<u>(\$13,750)</u>
Total	<u>(\$17,185)</u>

FY 05 Income Loss

Loss of annual registration fees (44,000 *.75 each) \$16,500

FY06 Income Loss

Loss of annual inspection fees (44,000*.75) \$16,500

To implement this legislation, DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
JOINT CONTINGENT FUND			
<u>Cost</u>			
Personal Service (2 FTE)	(\$46,851 to Unknown)	(\$93,703 to Unknown)	(\$93,703 to Unknown)
Fringe Benefits	(\$18,960 to Unknown)	(\$37,921 to Unknown)	(\$37,921 to Unknown)
Expense and Equipment	(\$17,270 to Unknown)	(\$7,150 to Unknown)	(\$7,150 to Unknown)
<u>Total Cost</u>	<u>(\$83,081 to Unknown)</u>	<u>(\$138,774 to Unknown)</u>	<u>(\$138,774 to Unknown)</u>
NET ESTIMATED EFFECT ON JOINT CONTINGENT FUND*	<u>(\$83,081 to Unknown)</u>	<u>(\$138,774 to Unknown)</u>	<u>(\$138,774 to Unknown)</u>
*Unknown cost for personnel is subject to appropriations.			
MISSOURI AIR POLLUTION CONTROL FUND			
<u>Income (Loss)-DNR</u>			
Emissions testing inspection fee	(\$15,167)	(\$16,500)	(\$16,500)
NET ESTIMATED EFFECT ON AIR POLLUTION FUND	<u>(\$15,167)</u>	<u>(\$16,500)</u>	<u>(\$16,500)</u>
HIGHWAY FUND			
<u>Savings-Department of Revenue</u>			
Registration tabs	\$0	\$858	\$0
<u>Cost-Department of Revenue</u>			
Programming Salaries	(\$3,764)	\$0	\$0
Procedure Changes	(\$529)	\$0	\$0
<u>Total Cost -DOR</u>	<u>(\$4,293)</u>	<u>\$0</u>	<u>\$0</u>
NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$4,293)</u>	<u>\$858</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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.

DESCRIPTION

This proposal contains provisions that the Joint Committee on Transportation Oversight shall appoint a Director and employ other personnel as it deems necessary.

This proposal modifies the terms of the State Highway and Transportation Commission members.

This proposal could require the Department of Transportation to submit to arbitration where the case involves a highway construction contract dispute over \$25,000.

This proposal addresses the property separated by easements or rights-of-way and shall be considered contiguous for transportation development district purposes.

This proposal could allow two or more local transportation authorities which have adopted a resolution calling for the joint establishment of a district to form a transportation development district.

The proposal could allow the alternatively formed development district to impose a sales tax contingent upon voter approval.

This proposal could exempt motor vehicles manufactured 26 years prior to the current model year from emissions inspection and allows BAR-97 vehicle emissions test for residents in Franklin County to be conducted on a biennial basis.

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

Additional rental space could be needed.

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SOURCES OF INFORMATION

Department of Transportation
Missouri Senate
Office of State Courts Administrator
Department of Revenue
Department of Natural Resources



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Director
April 29, 2003