

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2111-04  
Bill No.: HJR 24  
Subject: Constitutional Amendments: Roads and Highways  
Type: Original  
Date: March 17, 2003

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$0	(\$69,700)	(\$84,734,041)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(\$69,700)</b>	<b>(\$84,734,041)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Highway	\$0	\$0	\$84,734,041
<b>Total Estimated Net Effect on <u>All</u> <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$84,734,041</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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

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

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Department of Transportation** savings to the Highway Fund of about \$66,977,000 beginning in FY 2006 based on appropriations for other agencies in FY 2002. They estimate additional savings in later fiscal years: FY 2007 - \$92,178,000; FY 2008 - \$117,380,000; FY 2009 - \$142,581,000; FY 2010 - \$167,782,000; FY 2011 - \$192,984,000. (NOTE: Additional savings would be because the Highway Fund contribution to Highway Patrol Funding would be reduced beginning in FY 2007.)

Officials of the **Department of Natural Resources**, in response to a similar proposal, noted that their core budget from the Highway Fund was \$80,997. Monies are used to review environmental impact statements for transportation projects.

Officials of the **Department of Public Safety - Missouri State Highway Patrol** assumed, in response to a similar proposal, that the proposal would continue funding for their agency at approximately current levels. The moneys would come from a different source, but the proposal would not affect their agency fiscally or administratively.

**State Treasurer** officials note that their office was appropriated \$458,700 from the Highway Fund for 12.5 FTE and their equipment and expense.

Officials of the **Department of Revenue** stated that their agency was appropriated \$63,394,130

ASSUMPTION (continued)

from the Highway Fund. They noted that \$17,757,041 was for refunds. Their estimate of Highway Fund savings due to SB 915 of 2002 did not include refunds.

**Oversight** notes that the estimated savings to the Highway Fund due to stopping appropriations to agencies (other than the Highway Patrol ) would have been \$73,455,342 had the voters approved Proposition B (CCS for HS for SCS for SB's 915, 710 & 907 from the 2002 legislative session). Since then certain functions which were in the Department of Economic Development and the Department of Revenue have been transferred to the Department of Transportation Oversight will use Department of Transportation's estimate of appropriations for FY 2002 as the "base" for estimating savings to the Highway Fund and costs to the General Revenue Fund. **For fiscal note purposes, Oversight assumes that Highway Fund savings will be "made up" to agencies from the General Revenue Fund.**

Oversight added the \$17,757,041 to the \$66,977,000 to get projected savings/costs for FY 2006 of \$84,734,041.

Department of Revenue reported that they collected \$262,859,655 in motor vehicle sales tax in FY 2002. One-half of that, or \$131,429,828, was credited to the General Revenue Fund. Beginning in FY 2007, the moneys would gradually be moved from the General Revenue Fund to the Missouri State Highway Patrol Fund. (Assuming collections remain level - FY 2007 - \$26,285,966; FY 2008 - \$52,571,932; FY 2009 - \$78,857,898; FY 2010 - \$105,143,864; FY 2011 - \$131,429,830)

Total costs/losses to the General Revenue Fund would be: FY 2006 - \$84,734,041; FY 2007 - \$117,498,349; FY 2008 - \$143,784,315; FY 2009 - \$170,070,281; FY 2010 - \$196,356,247; FY 2011 - \$222,642,213.

The appropriation from the Highway Fund to the Highway Patrol was \$128,817,898, in FY 2001. The proposal would reduce Highway Fund appropriations to the Patrol by 20% in FY 2007 to 100% by FY 2011. Therefore savings to the Highway Fund would be: FY 2006 - \$84,734,041; FY 2007 - \$116,975,963; FY 2008 - \$142,739,542; FY 2009 - \$168,503,122; FY 2010 - \$194,266,701; FY 2011 - \$220,030,281.

**Secretary of State** officials stated that advertisement costs for the proposal would be \$3,485 per column inch for three printings of the text of the proposal, the introduction, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2004 general election.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
<b>GENERAL REVENUE FUND</b>			
<u>Cost to Secretary of State</u>			
Newspaper Advertisements	\$0	(\$69,700)	
<u>Cost - Various Agencies (and refunds) to replace Highway Fund moneys</u>	\$0	\$0	(\$84,734,041)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$69,700)</u></b>	<b><u>(\$84,734,041)</u></b>
<b>HIGHWAY FUND</b>			
<u>Savings - Various State Agencies</u>	\$0	\$0	\$84,734,041
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$84,734,041</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></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 prevent state agencies, except for the Highway Patrol, from receiving state road funds appropriations beginning in the fiscal year following voter adoption of the proposal. Appropriations to the Highway Patrol from state road funds would be phased during the second out from the second to the sixth years following voter adoption of the proposal.

The proposal would also change to distribution of motor vehicle sales tax proceeds. This change would be phased in from the second to the sixth years after voter adoption of the proposal. Currently one-half of proceeds from motor vehicle sales taxes are credited to state road funds and one-half to the General Revenue Fund. Under terms of this proposal, the portion of motor vehicle sales taxes allocated to the General Revenue fund would be shifted to a dedicated Highway Patrol fund.

DESCRIPTION (continued)

The proposal would also require the Office of Administration and the Department of Transportation to track new state revenues derived from highway users due to actions of the General Assembly or of the voters taken after January 1, 2005, and to track all projects funded or partly funded by those new state revenues. The Commissioner would regularly review projects funded by the new state revenues and if it were determined that any project was not at least eighty percent (80%) complete within five (5) years of the project's initial approval then the Commissioner would report this fact to the General Assembly and instruct the Director of Revenue to cease collections of new state revenue attributable to the project within sixty (60) calendar days.

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

SOURCES OF INFORMATION

Department of Natural Resources  
Department of Public Safety - Missouri State Highway Patrol  
Department of Revenue  
Department of Transportation  
State Treasurer  
Secretary of State



Mickey Wilson, CPA  
Director  
March 17, 2003