

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0322-03
Bill No.: HB 690
Subject: Fees; Motor Vehicles; Energy; Transportation Department
Type: Original
Date: March 26, 2013

Bill Summary: This proposal modifies provisions relating to alternative fuel decal fees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
State Highway and Transportation Department	Unknown	Unknown	Unknown
Total Estimated Net Effect on Other State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	Less than \$100,000	Less than \$100,000	Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture, Department of Public Safety - Missouri Highway Patrol** and **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration - Division of Budget & Planning (BAP)** assume this proposal should not result in additional costs or savings to their agency.

The proposal would potentially impact TSR and 18e:

- The proposal increases the alternative fuel decal fees, which would increase TSR and 18e calculations by the amount of the increased fees collected.
- This proposal changes the fund in which the fuel decal fees are deposited. Currently, the fees are deposited into the Motor Fuel Tax Fund where-via statutory formula a portion is eventually disbursed to the State Highways and Transportation Fund after a portion is distributed to local governments. This proposal requires all proceeds from the decal fees to be credited to the State Highways and Transportation Department Fund, which would increase TSR and 18e calculations by the amount currently disbursed per statute, to local government.

Officials from the **Department of Transportation** concur with Department of Revenue regarding any fiscal impact to their organization.

Officials from the **Department of Revenue (DOR)** assume procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY 14.

The Application for Special Fuel Decal (DOR-2300) will need to be revised. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,206 in FY 14.

The Department's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.

In summary, DOR assumes a cost of \$2,737 ($\$1,206 + \$1,206 + \325) in FY 2014 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

§142.869.10

DOR states this legislation would require a change in how “temporary decal fees” are deposited and distributed. Currently, the temporary fees are deposited into the motor fuel tax fund and are distributed to the state highway fund and to cities and counties. It would also change how the decal fees on Missouri registered vehicles are distributed as cities and counties currently get a portion of the fees. Distribution worksheets would need to be modified to account for the change.

This legislation changes the fee from \$75 to \$140 for a passenger motor vehicle, school bus as defined in section 301.010, and commercial motor vehicles with a licensed gross vehicle weight of 18,000 lbs or less.

FY 12 total	1,197
New Fee	<u>x \$65</u>
Gain	\$77,805

This legislation changes the fee from \$100 to \$185 for commercial motor vehicles with a “Farm” designation that are licensed at a gross vehicle weight in excess of 18,000 lbs but not more than 36,000 lbs.

FY 12 total	70
New Fee	<u>x \$85</u>
Gain	\$5,950

This legislation changes the fee from \$150 to \$280 for commercial motor vehicles without a “Farm” designation that are licensed at a gross vehicle weight in excess of 18,000 lbs but not more than 36,000 lbs.

FY 12 total	125
New Fee	<u>x \$130</u>
Gain	\$16,250

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ASSUMPTION (continued)

This legislation changes the fee from \$250 to \$470 for commercial motor vehicles with a “Farm” designation that are licensed at a gross vehicle weight in excess of 36,000 lbs.

FY 12 total	0
New Fee	<u>x \$220</u>
Gain	\$0

This legislation changes the fee from \$1,000 to \$1,400 for motor vehicles licensed at a gross vehicle weight in excess of 36,000 lbs but less than 48,000 lbs.

FY 12 total	2
New Fee	<u>x \$400</u>
Gain	\$800

This legislation creates a fee of \$1,800 for motor vehicles with a license gross weight of 48,000 lbs.

FY 12 total	1
New Fee	<u>x \$1,800</u>
Gain	\$1,800

In summary, DOR assumes a revenue of \$85,504 in FY 2014. The increase in funds collected will be distributed according to the constitution as follows:

	<u>FY 14 (10 months)</u>	<u>FY 15</u>	<u>FY16</u>
75% -Highway Fund	\$64,128	\$76,954	\$76,954
15% - Cities	\$12,826	\$15,391	\$15,391
10% - Counties	\$8,550	\$10,260	\$10,260

It is unknown how many alternative fuel or hydrogen powered vehicles are assembled in Missouri. Therefore, due to the provision allowing only one-half of those first year fees for vehicles powered by alternative fuel or hydrogen that are assembled in Missouri, there will be an unknown decrease in alternative fuel decal fees collected above.

Since the number of alternative fuel or hydrogen powered vehicles assembled in Missouri is unknown, **Oversight** will assume a revenue of ‘Less than \$100,000’ to the Highway Fund and Cities and Counties.

ASSUMPTION (continued)

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
HIGHWAY FUND			
<u>Revenue - DOR</u> Special Fuel Decal Fee Increase	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Loss - DOR</u> Temporary Decal Fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
STATE HIGHWAY AND TRANSPORTATION DEPARTMENT FUND			
<u>Revenue - DOR</u> Temporary Decal Fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO THE STATE HIGHWAY AND TRANSPORTATION DEPARTMENT FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue - Cities</u>	Less than	Less than	Less than
Special Fuel Decal Fee Increase	\$100,000	\$100,000	\$100,000
<u>Revenue - Counties</u>	Less than	Less than	Less than
Special Fuel Decal Fee Increase	\$100,000	\$100,000	\$100,000
<u>Loss - Cities</u>			
Temporary Decal Fees	(Unknown)	(Unknown)	(Unknown)
<u>Loss - Counties</u>			
Temporary Decal Fees	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>

FISCAL IMPACT - Small Business

There may be an increase in cost to a business that owns and operates a vehicle that would require a special fuel decal.

FISCAL DESCRIPTION

This proposal adds hydrogen to the definition of "alternative fuel", and increases the annual fee for an alternative fuel decal from \$75 to \$140 for a passenger vehicle, school bus, or a commercial vehicle with a gross vehicle weight of 18,000 pounds or less, from \$100 to \$185 for a licensed farm vehicle with a gross vehicle weight greater than 18,000 pounds but no more than 36,000 pounds, from \$150 to \$280 for a vehicle with a gross vehicle weight greater than 18,000 pounds but no more than 36,000 pounds and for a passenger-carrying vehicle, from \$250 to \$470 for a licensed farm vehicle with a gross vehicle weight greater than 36,000 pounds, from \$1,000 to \$1,400 for a vehicle with a gross vehicle weight greater than 36,000 pounds but no more than 48,000 pounds, from \$1,000 to \$1,800 for a vehicle with a gross vehicle weight greater than 48,000 pounds, and from \$8 to \$12 per day for a temporary decal for a nonresident's vehicle. The revenue from the alternative fuel decal fees will be deposited in the State Highways and Transportation Department Fund. The alternative fuel decal fee for the first year for a new alternative fuel-powered vehicle assembled in Missouri will be equal to one-half the fee amount.

FISCAL DESCRIPTION (continued)

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 Revenue
Department of Transportation
Office of Administration
Department of Agriculture
Department of Public Safety



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