

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1029-02
Bill No.: HCS for HJR's 15 & 13
Subject: Constitutional Amendments; Transportation; Department of Transportation
Type: Original
Date: March 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	(\$93,200,000)	(\$159,434,000)
Highway/Road Funds	\$0	\$92,994,168	\$159,418,405
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$205,832)	(\$15,595)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation (MoDOT)** assume the proposal eliminates appropriations to all other state agencies from the State Highway & Transportation Department Fund, based on an interpretation from legal counsel. Under current law, these appropriations are capped at FY 2001 levels. Annual savings would be realized according to the eventual total appropriations for FY 2001, which is yet to be determined. MoDOT estimates this amount at \$191 million. MoDOT assumes savings will be realized beginning in December, 2002, following the general election in November, 2002.

MoDOT estimates the addition of three commissioners will result in additional expense reimbursements of \$4,900 per person, per year, for a total of \$14,700 annually. MoDOT assumes the commissioners would be added in December, 2002, following the general election in November, 2002.

Officials with the **Office of Administration–Division of Budget & Planning (BAP)** assume the proposal will result in savings to the State Highway & Transportation Department Fund and losses to the General Revenue Fund. BAP estimates savings at \$185 million annually, the appropriation amount for FY 2001 prior to adjustment of any open-ended appropriations. BAP assumes the savings will be realized in December, 2002, following the general election in November, 2002.

BAP notes that if the governor were to call a special election in November, 2001, the cost would approximate \$3.7 million.

Officials with the **Department of Revenue** assume the proposal will result in a loss of funding for the agency which must be replaced by General Revenue to maintain current services. Officials with the **Department of Public Safety–Missouri State Highway Patrol** assume the proposal will have no fiscal impact on their agency.

Oversight notes that the proposal would remove language from the constitution which provides for use of highway user fees for payment of collection expenses and the administration & enforcement of motor vehicle laws or traffic regulations. Oversight assumes this will end appropriations from the Highway Fund to the Department of Revenue and the Missouri State Highway Patrol. Oversight notes that the Missouri Constitution states the remaining user fees will be appropriated to the State Road Fund, for uses including “other such purposes and contingencies relating and appertaining to the construction and maintenance of such highways and bridges as the highways and transportation commission may deem necessary and proper” (Article IV, Section 30[b]). It is the opinion of Oversight that these uses may include functions provided by the Office of the State Treasurer, the Office of the State Auditor, the Department of

ASSUMPTION (continued)

Economic Development, and the Department of Natural Resources, and that the proposal will have no fiscal impact on these agencies. As such, Oversight has included a savings to the Highway Fund, and an offsetting cost to General Revenue, for the appropriations to the Department of Revenue and the Missouri State Highway Patrol of \$159 million annually (adjusted for seven months in FY 2003).

Officials with the **Department of Economic Development** and the **Office of the State Auditor** assume the proposal will result in a loss of funding for the agency which must be replaced by General Revenue to maintain current services. As discussed above, **Oversight** assumes the proposal will not impact these agencies.

Officials with the **Department of Natural Resources** and the **Office of the State Treasurer** assume the proposal will have no fiscal impact to their agencies.

Officials with the **Office of the Secretary of State** assume advertisement costs for the proposal would be \$4,380 per newspaper column inch for three printings of the text of the proposal, the introduction, title, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2002 general election. **Oversight** notes that if a special election were to be called, the cost would be in FY 2002.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003 (7 mo.)	FY 2004
GENERAL REVENUE FUND			
<u>Cost</u> —Various State Agencies			
Reimbursement of Funding Previously Provided from Highway/Road Funds	\$0	(\$93,003,000)	(\$159,434,000)
<u>Cost</u> —SOS			
Election Advertisement Costs	<u>\$0</u>	<u>(\$197,000)</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$93,200,000)</u>	<u>(\$159,434,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003 (7 mo.)	FY 2004
STATE HIGHWAY & TRANSPORTATION DEPARTMENT/STATE ROAD FUNDS			
<u>Savings—MoDOT</u>			
Transfers to Other State Agencies	\$0	\$93,003,000	\$159,434,000
<u>Cost—MoDOT</u>			
Reimbursement of Commission Expenses	<u>\$0</u>	<u>(\$8,832)</u>	<u>(\$15,595)</u>
ESTIMATED NET EFFECT TO STATE HIGHWAY & TRANSPORTATION DEPARTMENT/STATE ROAD FUNDS	<u>\$0</u>	<u>\$92,994,168</u>	<u>\$159,418,405</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
	<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 proposed constitutional amendment will establish a Secretary of Transportation, who will be in charge of the Department of Transportation. The secretary will be appointed by the Governor.

The Highways and Transportation Commission will become the Transportation Commission and its members will be appointed by the Governor to six year terms. There will be one member from each Congressional district with no more than five from the same political party. The following people will serve as non-voting ex officio members: Commissioner of the Office of Administration; Director of the Department of Economic Development; Director of the Department of Agriculture; and Director of the Department of Natural Resources. The secretary must annually submit to the commission a statewide transportation improvement plan for its approval or disapproval.

The amendment also eliminates the cost of fuel tax collections and the cost of administering and enforcing state motor vehicle and traffic laws from the list of eligible uses of transportation funds. The cost of Department of Transportation employee fringe benefit programs may be paid from transportation funds.

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 Transportation
Office of Administration
 Division of Budget & Planning
Department of Revenue
Department of Public Safety
 Missouri State Highway Patrol
Office of the State Auditor
Department of Economic Development
 Division of Motor Carrier & Railroad Safety
Department of Natural Resources
Office of the State Treasurer
Office of the Secretary of State



Jeanne Jarrett, CPA
Director

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