

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1165-03  
Bill No.: SJR 17  
Subject: Constitutional Amendments: Roads and Highways  
Type: Original  
Date: February 17, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	\$0	(\$52,275)	(\$91,212,383)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(\$52,275)</b>	<b>(\$91,212,383)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Highway	\$0	\$0	\$91,212,383
<b>Total Estimated Net Effect on <u>All</u> <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$91,212,383</b>

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

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<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 \$64,055,000 beginning in FY 2006 based on spending for other agencies in FY 2001. They estimate additional savings in later fiscal years: FY 2007 - \$89,818,000; FY 2008 - \$115,582,000; FY 2009 - \$141,345,000; FY 2010 - \$167,109,000; FY 2011 - \$192,873,000. (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** 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 Economic Development** noted that the agencies which received Highway Fund appropriations were transferred to the Department of Transportation; therefore, this proposal would not affect their agency.

Officials of the **Department of Public Safety - Missouri State Highway Patrol** assume 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.

ASSUMPTION (continued)

**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 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). Oversight will use this 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 \$73,455,342 to get projected savings/costs for FY 2006 of \$91,212,383..

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 - \$91,212,383; 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 - \$91,212,383; 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</u> to Secretary of State			
Newspaper Advertisements	\$0	(\$52,275)	
<u>Cost</u> - Various Agencies to replace Highway Fund moneys	\$0	\$0	(\$91,212,383)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$52,275)</u></b>	<b><u>(\$91,212,383)</u></b>
<b>HIGHWAY FUND</b>			
<u>Savings</u> - Various State Agencies	\$0	\$0	\$91,212,383
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$91,212,383</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.

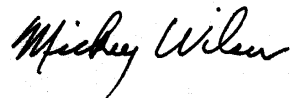
The proposal would also change to distribution of motor vehicle sales tax proceeds. This change would be phased in from the second to the sixth years after voter adoption of the proposal. Currently one-half of proceeds from motor vehicle sales taxes are credited to state road funds and one-half to the 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)

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 Economic Development  
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  
February 17, 2003