

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1138S.02T
Bill No.: Truly Agreed To and Finally Passed SS for SB 258
Subject: Military Affairs; National Guard; State Employees
Type: Original
Date: June 1, 2021

Bill Summary: This proposal modifies provisions relating to military affairs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$38,680)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$38,680)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Missouri Medal of Honor Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Donation revenue and costs net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

§41.201 – Missouri National Guard members

This proposal states that National Guard members are to be considered state employees for the purposes of operating state vehicles. This will not fiscally impact DOR.

§41.676 – Military Site Designation

DOR officials assume this will have no fiscal impact on their organization.

§143.1032 - Medal of Honor Tax Checkoff Program

This proposal starting January 1, 2022, establishes a tax checkoff program for the Missouri Medal of Honor Recipients Fund. This tax checkoff program would allow taxpayers (individuals and corporations) who are eligible for a tax refund to donate part or all of their tax refund to the Missouri Medal of Honor Fund. Additionally, any taxpayer can choose to write a check for any amount and donate it to the Fund by including it with their tax return.

For informational purposes, the Department is including the amount collected from the current tax checkoff programs for FY 2020.

Contribution Type	Total Amount of Contributions Requested
ADOPTIVE PARENTS RECRUITMENT & RETENTION	\$3,151.00
ALS LOU GEHRIGS DISEASE TRUST FUND	\$2,059.00
AMERICAN CANCER SOCIETY HEARTLAND DIV.	\$5,230.45
AMERICAN HEART ASSOCIATION TRUST FUND	\$3,169.04
AMERICAN RED CROSS	\$2.00
ARTHRITIS FOUNDATION TRUST FUND	\$814.00
CHILDHOOD LEAD TESTING FUND	\$6,030.10
CHILDRENS TRUST FUND	\$42,733.45
ELDERLY HOME DELIVERED MEALS TRUST FUND	\$36,994.17
GATEWAY AREA DIABETES ASSN. TRUST FUND	\$1,760.00
Contribution Type (continued)	Total Amount of Contributions Requested
GENERAL REVENUE FUND	\$8,178.00
KANSAS CITY TRUST FUND	\$19.00
MARCH OF DIMES TRUST FUND	\$2,368.21
MILITARY FAMILY RELIEF FUND	\$22,343.12
MUSCULAR DYSTROPHY ASSN. TRUST FUND	\$599.00
NATIONAL GUARD FOUNDATION FUND	\$208.00
NATIONAL GUARD TRUST FUND	\$8,980.47
NATIONAL MULTIPLE SCLEROSIS SOCIETY FUND	\$985.95
ORGAN DONOR PROGRAM TRUST FUND	\$12,916.77
PEDIATRIC CANCER RESEARCH FUND	\$2,714.00
SOLDIERS MILITARY MUSEUM TRUST FUND	\$37.00
VETERANS TRUST FUND	\$32,540.57
WORKERS MEMORIAL TRUST FUND	\$1,991.00
Total	\$195,824.30

It is unknown how much may be collected for the fund. The Department notes that any money collected from taxpayers is considered taxpayer's money and would be distributed into the required fund. The money in the fund is not considered state revenue and does not impact Total State Revenue (TSR).

This proposal allows the Department of Revenue to retain a portion of the amount collected from corporations to cover any costs for administration and handling. The Department notes it has not

retained any money from existing checkoffs as they have been able to absorb the costs using existing resources.

The Department believes they can absorb the collection of this new checkoff with existing resources if the amount collected remains in line with other checkoff programs.

This will require the Department to add another checkoff box on the tax returns forms and to modify the website with information about the Fund. The Department assumes it can make these changes using their existing resources.

§227.299 - Road Naming Signs

This proposal requires MODOT to pay the cost of the road naming signs for any Medal of Honor recipients. They are to pay for the signs with Department of Transportation funding and post information about the person honored on the sign on their website. This will not impact the Department of Revenue.

§227.450 - Spc. Justin Blake Carter Memorial Highway & Purple Heart Trails

This proposal establishes the Spc. Justin Blake Carter Memorial Highway. The signs are to be paid for by private donations. This will not impact the Department of Revenue.

§§227.463, 227.464, 227.465, 227.466, 227.467 - Purple Heart Trail

These provisions create the Purple Heart Trails. These sections will not impact the DOR.

§227.477 - Army PFC Christopher Lee Marion Memorial Highway

This proposal establishes the Army PFC Christopher Lee Marion Memorial Highway. Private donations are to pay for the sign. This will not impact the Department of Revenue.

§227.478 - Otis E Moore Memorial Highway

This proposal establishes the Otis E Moore Memorial Highway. Private donations are to pay for the sign. This will not impact the Department of Revenue.

§227.486 - Army SGT Timothy J Sutton Memorial Highway

This proposal establishes the Army SGT Timothy J Sutton Memorial Highway. Private donations are to pay for the sign. This will not impact the Department of Revenue.

§227.488 - U.S. Army SGT Brandon Maggart Memorial Bridge

This proposal establishes the U.S. Army SGT Brandon Maggart Memorial Bridge. Private donations are to pay for the sign. This will not impact the Department of Revenue.

§227.489 - U. S. Army PFC Adam L Thomas Memorial Bridge

This proposal establishes the U.S. Army PFC Adam L Thomas Memorial Bridge. Private donations are to pay for the sign. This will not impact the Department of Revenue.

§227.490 - Multiple Highway and Bridge Designations

This proposal establishes the U.S. Army SFC Matthew C Lewellen Memorial Bridge. Private donations are to pay for all these signs. This will not impact the Department of Revenue

§§227.495, 227.496, 227.497, 227.498, 227.777, 227.780, 227.781, 227.782, 227.783, 227.784, 227.785, 227.793 - Memorial Designations

These provisions are numerous road and bridging namings. These provisions will not impact the Department.

§§301.020 and 302.171 - Collection of Missouri Medal of Honor Recipients Funds

This proposal establishes a procedure for applicants registering their vehicles or getting a driver's license to donate a \$1 to the Missouri Medal of Honor Recipients Fund. The Department is required to ask citizens if they would like to contribute at the time of their transaction. The Department is allowed to retain no more than 1% of the fee to cover administrative costs.

For informational purposes, the Department notes in FY 2020 there were 1,512,964 motor vehicles registered and 1.4 million transactions involving driver's and non-drivers licenses. Currently the Department is required to ask all these citizens about contributing to the Blindness Education, Screening and Treatment Fund as well as the Organ Donation Fund.

FY 2020 Donations	
Blindness Awareness Fund	\$87,822
Organ Donor Fund	\$125,644

It is unknown if or how much may be collected for the fund. The Department notes that any money collected from taxpayers is considered taxpayer's money and would be distributed into the required fund. The money in the fund is not considered state revenue and does not impact TSR.

The Department per statute is allowed to retain a 1% collection fee from this current funds but has chosen not to. The Department assumes it will not take the 1% fee from the Medal of Honor Recipients Fund as long as the donation amounts remain in line with the current programs.

Administrative Impact

Since this proposal requires that each citizen be asked about participation in the fund, the computer programs for registration and driver's licenses will need to be programmed to ask the questions.

To implement the provisions of this section, the Department would be required to:

- Create a new fund in SAMII for the Missouri Medal of Honor Recipients Fund and define distribution requirements;
- Create a new MTAS code in the amount of \$1.00 for the new donation;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, MEDL central application and supporting applications;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system; and
- Train staff.

FY 2022 – Driver License Bureau

Research/Data Assistant	320hrs. @ \$15.98 per hr.	= \$5,114
Research/Data Analyst	320hrs. @ \$23.82 per hr.	= \$7,622
Administrative Manager	80 hrs. @ \$22.24 per hr.	= \$1,779
Total		\$14,515

FY 2022 – Personnel Services Bureau

Associate Research/Data Analyst	80 hrs. @ \$19.09 per hr.	= \$1,527
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Total Costs **\$16,042**

Additional form and instruction changes as well as website changes can also be expected.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$38,680** in FY 2022 (407 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Section 1 - Creation of the Missouri Medal of Honor Recipients Fund

This proposal creates the Missouri Medal of Honor Recipients Fund. This will not impact DOR.

Officials from the **Missouri Department of Transportation (MoDOT)** assume the following regarding this proposal:

Requiring MoDOT to post links on its website to biographical information of any persons honored with designations on the state highway system would impose new tasks onto the Department. However, MoDOT anticipates being able to use existing staff time and resources to populate the data system with researched information on the existing memorials designated on the state highway system.

The fiscal impact of this legislation is from the waiving of the current participation fee for the Medal of Honor PVT George Phillips Memorial Highway. MoDOT charges \$4,000 for participation in the memorial highway and bridge program currently. MoDOT defers to the Department of Revenue (DOR) for projected revenues from the new optional donation to the new Medal of Honor Fund. Additionally, MoDOT cannot project the number of Medal of Honor designations will be signed into law.

Oversight notes this proposal creates the new Missouri Medal of Honor Fund, which is to pay for the costs of the signs as well as maintenance and repair to the signs. Therefore, Oversight assumes MoDOT will not incur additional costs outside of this fund for these signs.

Oversight will reflect an "Unknown" amount of revenue donated to the newly created Missouri Medal of Honor Fund. Based on current donation levels indicated by DOR, Oversight assumes the amount of revenue into the new fund will be less than \$250,000.

Oversight notes there is a possible conflict in Section 1, subsection 2 with Sections 143.1032, 301.020, and 302.171 in where monies collected are to be distributed by the Department of Revenue. Sections 143.1032, 301.020, and 302.171 require the Department to distribute monies collected to the Missouri Medal of Honor Recipients Fund. Section 1, subsection 2 requires monies collected in Sections 143.1032, 301.020, and 302.171 to be distributed to the Missouri Department of Transportation State Road Fund.

Officials from the **Department of Public Safety - Missouri National Guard**, the **Office of Administration**, and the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost – DOR – p. 7 (§§301.020 & 302.171) System program changes</u>	<u>(\$38,680)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$38,680)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
MISSOURI MEDAL OF HONOR FUND			
<u>Revenue – (§§301.020 & 302.171) Donations by tax payers p. 6</u>	Unknown	Unknown	Unknown
<u>Costs – MoDOT – (§§301.020 & 302.171) Memorial signs (including maintenance and repair) p. 6</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE MISSOURI MEDAL OF HONOR FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

FISCAL DESCRIPTION

This act creates the "Missouri Medal of Honor Recipients Fund" to consist of moneys donated as provided in the act. Money in the fund shall be transferred upon request, but not less than monthly, to the Department of Transportation to pay any renewal fee for memorial bridge or memorial highway signs for Missouri Medal of Honor recipients, and for the maintenance and repair of all such signs. The act provides for Missouri citizens to make donations to the fund with their tax returns, vehicle registration application, or driver's license application. Additionally, the Department of Revenue shall provide notification of the payment transfer to the credit of the State Road Fund to the Department of Transportation.

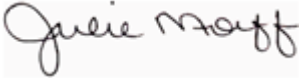
The act also provides that Missouri recipients of the Medal of Honor shall not be eligible for the administrative process for limited-duration memorial highway and bridge designations, provides that the costs of signs designating the infrastructure for Medal of Honor Recipients shall be funded by the Department of Transportation, and requires the Department of Transportation to post a link on its website to biographical information of honorees.

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

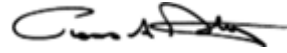
SOURCES OF INFORMATION

Department of Revenue
 Department of Public Safety – Missouri National Guard
 Missouri Department of Transportation
 Office of Administration
 Office of the State Treasurer

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