

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0650-01
Bill No.: HJR 14
Subject: Constitutional Amendments; Roads and Highways; Transportation;
Transportation Department
Type: Original
Date: April 15, 2009

Bill Summary: This proposes a constitutional amendment distributing 10% of general revenue growth to the State Road Fund and the State Transportation Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$0	\$0 or (\$31,100,000)	\$0 or (\$63,400,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 or (\$31,100,000)	\$0 or (\$63,400,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
State Road Fund	\$0	\$0 or \$29,545,000	\$0 or \$60,230,000
State Transportation Fund	\$0	\$0 or \$1,555,000	\$0 or \$3,170,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or \$31,100,000	\$0 or \$63,400,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Budget and Planning** assume the proposed legislation should not result in additional costs or savings to the Division of Budget and Planning. It creates a transfer from General Revenue to the State Road and Transportation Funds. Beginning in 2011, each July 1 the State Treasurer is to calculate the difference between net general revenue collected in the just completed fiscal year and net general revenue in FY10, and transfer 10% of this difference to the specified accounts. The following table presents a calculation of these transfers. For FY10, the Consensus Revenue Estimate is used. For years beyond, 4% growth is assumed. Note that by FY23, the amount of the transfer would exceed annual growth in net general revenues.

This transfer will decrease general revenue available for other state programs. The proposal also mandates the monies distributed be excluded from total state revenues. Thus, TSR collections will decline by the transfer amounts below.

FY	GR (\$M)	Difference from FY10	Transfer	Difference from Previous FY
2010	7764.3			
2011	8074.9	310.6	31.1	310.6
2012	8397.9	633.6	63.4	323.0
2013	8733.8	969.5	96.9	335.9
2014	9083.2	1318.9	131.9	349.4
2015	9446.5	1682.2	168.2	363.3
2016	9824.4	2060.1	206.0	377.9
2017	10217.4	2453.1	245.3	393.0
2018	10626.1	2861.8	286.2	408.7
2019	11051.1	3286.8	328.7	425.0
2020	11493.1	3728.8	372.9	442.0
2021	11952.8	4188.5	418.9	459.7
2022	12430.9	4666.6	466.7	478.1
2023	12928.1	5163.8	516.4	497.2

ASSUMPTION (continued)

Officials at the **Missouri Department of Transportation** assume a 3.1% growth in general revenue which is the 10-year average from 1999-2008. MoDOT anticipates a positive impact of \$26 million in FY12, \$54 million in FY13, \$82 million in FY14.

Officials at the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the Secretary of State (SOS)** assume many joint resolutions are considered by the General Assembly that would require the SOS to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.6 million historically appropriated in even numbered fiscal years and \$100,000 appropriated in odd numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2009 in the November election there were 5 statewide Constitutional Amendments or ballot propositions that cost \$1.35 million to publish (an average of \$270,000 per issue). Therefore, the SOS assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

Oversight assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes this proposal will be voted on at the next regularly scheduled general election rather than at a special election.

Oversight assumes that if this proposal is not adopted by the voters then the impact is zero. If it is adopted then there would be an impact. Therefore Oversight has shown the impact as \$0 or the amount of impact.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Transfer Out</u> - General Revenue to State Road Fund	\$0	\$0 or (\$29,545,000)	\$0 or (\$60,230,000)
<u>Transfer Out</u> - General Revenue to State Transportation Fund	\$0	\$0 or (\$1,555,000)	\$0 or (\$3,170,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 or</u> <u>(\$31,100,000)</u>	<u>\$0 or</u> <u>(\$63,400,000)</u>
STATE ROAD FUND			
<u>Transfer In</u> - State Road Fund from general revenue	\$0	\$0 or \$29,545,000	\$0 or \$60,230,000
ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>\$0</u>	<u>\$0 or</u> <u>\$29,545,000</u>	<u>\$0 or</u> <u>\$60,230,000</u>
STATE TRANSPORTATION FUND			
<u>Transfer In</u> - State Transportation Fund from general revenue	\$0	\$0 or \$1,555,000	\$0 or \$3,170,000
ESTIMATED NET EFFECT ON STATE TRANSPORTATION FUND	<u>\$0</u>	<u>\$0 or</u> <u>\$1,555,000</u>	<u>\$0 or</u> <u>\$3,170,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

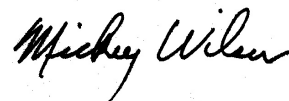
FISCAL DESCRIPTION

Proposes a constitutional amendment distributing 10% of the general revenue growth to the State Road Fund and the State Transportation Fund.

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

Office of the Secretary of State
Missouri Department of Transportation
Budget and Planning
Office of the State Treasurer



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Director
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