

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5620-01  
Bill No.: HJR 75  
Subject: Roads and Highways; Constitutional Amendments; Motor Carriers;  
 Transportation  
Type: Original  
Date: February 16, 2018

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Bill Summary: This legislation proposes a constitutional amendment to direct proceeds from an overweight fee for garbage trucks to the newly established Farm to Market Fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0 to (Greater than \$7,800,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Greater than \$7,800,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Farm to Market Fund	\$0	\$0	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfers In and Cost to net zero.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Transportation (MoDOT)**, **Department of Revenue**, **Joint Committee on Administrative Rules** and **Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal will not impact Total State Revenue or 18(e). B&P defers to MoDOT for an estimated fiscal impact.

Officials from the **Office of the State Treasurer (STO)** assume this proposal would not be subject to the biennial transfer and would have interest credited back to it. STO assumes this proposal will have no fiscal impact on their organization.

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, sub-section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

The SOS is required 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 sections 116.230-116.290, RSMo. The Secretary of State's Office 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 \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even 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.

ASSUMPTION (continued)

In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 the Secretary of State's Office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue).

Therefore, the Secretary of State's Office 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** has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2019. This reflects the decision made by the Joint Committee on Legislative Research, that the potential cost of elections should be reflected in the fiscal note. There is a statewide primary election in August 2018 and a statewide general election in November 2018 (both FY 2019). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2019.

It is unknown what the amount of the fee or what revenue it will generate at this time for overweight garbage trucks. Oversight will reflect a \$0 (voters do not approve new fee) to an "Unknown" positive (voters approve new fee) fiscal impact to the newly established Farm to Market Fund beginning in FY 2021 (fee is assumed to be set by law prior to January, 2020).

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Transfer Out</u> - Office of the Secretary of State - reimbursement of local election authorities for election costs <b>if</b> a special election is called	\$0 or (Greater than <u>\$7,800,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>\$0 or (Greater than <u>\$7,800,000</u>)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FARM TO MARKET FUND</b>			
<u>Revenue</u> - fees from overweight garbage trucks	<u>\$0</u>	<u>\$0</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT ON THE FARM TO MARKET FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or Unknown</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>LOCAL ELECTION AUTHORITIES</b>			
<u>Transfer In</u> - Cost reimbursement from the State for special election <b>if</b> a special election is called for by the Governor	\$0 or More than <u>\$7,800,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Expense</u> - Cost for special election	\$0 or (More than <u>\$7,800,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO LOCAL ELECTION AUTHORITIES</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Garbage truck companies could have a negative fiscal impact from this proposal due to new fees for being overweight.

FISCAL DESCRIPTION

Upon voter approval, this proposed Constitutional amendment allows the creation of an overweight fee for garbage trucks by general law which would be deposited in a new fund and used for the construction, maintenance, and repair of state secondary roads with designated letters. This "Farm to Market Fund" would not be designated for the state road fund and does not revert to General Revenue.

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  
Department of Revenue  
Office of Administration - Budget and Planning  
Office of the State Treasurer  
Department of Agriculture  
Office of the Secretary of State  
Joint Committee on Administrative Rules

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