

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1779H.04C
Bill No.: HCS for HB 829
Subject: Roads and Highways; Transportation, Department of; Veterans
Type: Original
Date: March 3, 2021

Bill Summary: This proposal contains provisions relating to memorial highway designations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$40,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$40,000)	\$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

*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:

Section 143.1032 Medal of Honor Tax Checkoff Program

This proposal 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 of all of their refund to the Missouri Medal of Honor Recipients 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
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 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 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 we have been able to absorb the costs using existing resources.

The Department believes they can absorb the collection of this 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.

Section 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. This will not impact the Department of Revenue.

Section 227.496 Medal of Honor PVT George Phillips Memorial Highway

This proposal establishes the Medal of Honor PVT George Phillips Memorial Highway. The Department of Transportation is to pay for the sign. This will not impact the Department of Revenue.

Sections 301.020 & 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.

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.

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. This is estimated to have a one-time fiscal impact of **\$40,000**. Additional form and instruction changes as well as website changes can also be expected.

Oversight does not have information to the contrary and therefore, Oversight will reflect the programming cost as provided by the DOR.

In response to a previous version, officials from the **Missouri Department of Transportation (MoDOT)** assumed 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 would be from MoDOT waiving the current participation fee for deceased Medal of Honor recipients. MoDOT charges \$4,000 for participation in the memorial highway and bridge program currently.

MoDOT notes, according to the Congressional Medal of Honor Society, 97 Missourians have been awarded the Congressional Medal of Honor, and two are alive today. There are currently four Medal of Honor memorial highways in Missouri.

Oversight notes the House Committee Substitute creates a fund named the 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 any costs 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost – DOR – system program changes</u>	<u>(\$40,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$40,000)</u>	<u>\$0</u>	<u>\$0</u>
MISSOURI MEDAL OF HONOR FUND			
<u>Revenue – donations by tax payers</u>	Unknown	Unknown	Unknown
<u>Costs – MoDOT – memorial signs (including maintenance and repair)</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.

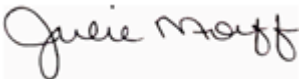
FISCAL DESCRIPTION

The proposed legislation contains provisions relating to memorial highway designations.

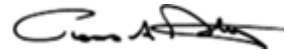
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation
Department of Revenue



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Director
March 3, 2021



Ross Strobe
Assistant Director
March 3, 2021