

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3407-01
Bill No.: HB 857
Subject: Roads and Highways; Transportation; Transportation Dept.
Type: Original
Date: March 16, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0	\$0	\$0 or (\$60,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0 or (\$60,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Fund	\$0 to (unknown)	\$0 to (unknown)	\$0 to (unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (unknown)	\$0 to (unknown)	\$0 to (unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(unknown)	(unknown)	(unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Public Safety – Missouri State Highway Patrol, Department of Natural Resources, State Public Defender’s Office, Office of Administration, Public Service Commission, and Office of State Courts Administrator** assume this proposal would have no fiscal impact on their agencies.

Officials with the **State Treasurer’s Office (STO)** assume the proposal would require the creation of the “State Toll Facility Fund” and specifies that interest will be credited to “accounts” within the fund. Crediting interest into these “accounts” would require STO to reprogram its interest distribution system, incurring programming and consulting fees of approximately \$60,000. **Oversight** assumes that this expenditure would be contingent upon voter approval of a constitutional amendment and that the earliest time at which feasibility studies could be completed, toll facilities erected, and a tolling system be put in place would be FY07.

Officials with the **Department of Revenue (DOR)** assume the proposal allows the court to issue an order to the Director of Revenue which voids the registration of a motor vehicle and prohibits subsequent registration until the toll, collection fee, and all related fines and penalties. DOR cannot estimate of the potential volume of toll evasion cases, but notes that additional FTE could be required if significant cases arise.

RK:LR:OD (12/02)

ASSUMPTION (continued)

Officials with the **Department of Transportation (MoDOT)** assume that under the current provisions of the Missouri Constitution, the Missouri Highways and Transportation Commission (MHTC) does not have authority to expend monies from the State Road Fund for the construction, operation or maintenance of toll facilities, such as toll bridges or toll highways. A constitutional amendment would need to be adopted by Missouri voters before MHTC could expend monies for this purpose.

MoDOT further assumes this proposal could provide enabling legislation to conduct feasibility studies for toll roads and, contingent upon authorization from the General Assembly, for the construction, operation and maintenance of toll facilities by MHTC. The toll facilities would be funded from toll facility revenue bonds issued by MHTC. The bonds would not be an obligation of the state.

The legislation also establishes specific funds to account for toll-related revenues and expenditures. Proceeds from the sale of toll facility revenue bonds, as well as tolls and other revenues derived from toll facilities, would be credited to toll facility funds and used for the payment of principal and interest on the bonds as well as for the payment of other costs associated with the establishment of toll facilities.

This proposal could provide MHTC with an alternative method to fund and build needed transportation facilities in the state. There would be no fiscal impact on MHTC/MoDOT from this legislation until MHTC decided to pursue the construction of a toll facility.

Oversight assumes that feasibility studies conducted prior to the commencement of a toll road project would be funded from the Highway Fund, to be repaid by the State Toll Facility Fund if or when projects are undertaken and funds become available.

Oversight notes that this proposal could allow MHTC to transfer funds from the State Road Fund in the event revenues are inadequate to keep the state toll facility revenue fund solvent. Any transfers from the State Road Fund are to be repaid in full with interest.

Officials from the **Office of Secretary of State (SOS)** assume this proposal would give MHTC the authority to adopt rules to implement provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 40 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal with respect to rule-

ASSUMPTION (continued)

making is \$2,460 in FY05 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials with **Bi-State Development Agency (Bi-State)** did not respond to Oversight's request for fiscal impact. However, in response to a substantially similar proposal, Bi-State officials assume the proposal could have fiscal impact on their agency. Bi-State assumes its bus operations, para-transit operations, and support vehicles would incur significant tolls in carrying out their transportation mission. **Oversight** assumes that it is impossible to determine at this time the feasibility of constructing toll facilities, the location or placement of such facilities, the pricing structure of potential tolls, or applicability of tolls to public transit vehicles.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL FUND			
<u>Cost—State Treasurer's Office</u>			
Programming and Consulting	\$0	\$0	\$0 or (\$60,000)
NET ESTIMATED EFFECT ON GENERAL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$60,000)</u>

HIGHWAY FUND

Cost-Department of Transportation

Toll Project Feasability Studies \$0 to (unknown) \$0 to (unknown) \$0 to (unknown)

Cost-Department of Revenue

Processing Voided Motor Vehicle Registrations \$0 \$0 \$0 to unknown

NET ESTIMATED EFFECT ON HIGHWAY FUND

\$0 to **\$0 to** **\$0 to**
(unknown) **(unknown)** **(unknown)**

FISCAL IMPACT - Local Government

FY 2005 FY 2006 FY 2007
 (10 Mo.)

Cost to local governments & agencies

Tolls **(unknown)** **(unknown)** **(unknown)**

FISCAL IMPACT - Small Business

Possible direct fiscal impact small businesses could be expected as a result of this proposal due to the potential costs to small businesses that could be realized through increased transportation costs to use toll facilities.

DESCRIPTION

This proposal enables the Missouri Highways and Transportation Commission (MHTC) to study feasibility, fund, construct and operate toll roads, toll bridges and other facilities connected with toll roads and bridges. It is contingent upon the approval of a constitutional amendment authorizing the commission to fund, construct, and operate toll facilities.

The commission is authorized to issue revenue bonds and refunding bonds for toll facilities. The bill exempts the interest on the bonds from taxation by the state except for the estate tax.

Construction, operation, and retirement of debt in connection with toll facilities will be handled by the creation of the State Toll Facility Fund.

The commission will establish segregated accounts within the various funds to keep the financing of projects separated from each other. It has authority to make transfers between funds

DESCRIPTION (continued)

and accounts.

This proposal authorizes six state toll facility projects:

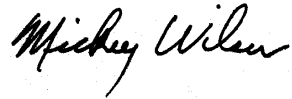
- Reconstruction of Interstate 70 across the state
- A new Mississippi River Bridge in the City of St. Louis
- The Bella Vista Bypass on Highway 71
- An additional Paseo bridge in Kansas City
- Reconstruction of Interstate 44 across the state
- Construction or reconstruction of a bridge across the Mississippi River from Mississippi County to either or both Illinois and Kentucky.

This proposal also stipulates legal enforcement provisions and fines for non-payment of tolls, classifying non-payment of tolls as a traffic violation and permitting electronic surveillance methods for enforcement.

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

State Treasurer's Office
Department of Transportation
Office of Secretary of State
Bi-State Development Agency
Department of Public Safety – Missouri State Highway Patrol
Department of Economic Development
Department of Revenue
State Public Defender's Office
Office of Administration
Public Service Commission
Office of State Courts Administrator

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 16, 2004