

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5037-01  
Bill No.: HJR 67  
Subject: Constitutional Amendments; Appropriations; Transportation; Transportation  
Department; Roads and Highways  
Type: Original  
Date: February 25, 2008

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

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |            |                              |                              |
|---|------------|------------------------------|------------------------------|
| FUND AFFECTED   | FY 2009    | FY 2010                      | FY 2011                      |
| General Revenue   | \$0        | (\$0 or \$36,000,000)        | (\$0 or \$75,000,000)        |
|   |            |                              |                              |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b> | <b>(\$0 or \$36,000,000)</b> | <b>(\$0 or \$75,000,000)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |            |                            |                            |
|---|------------|----------------------------|----------------------------|
| FUND AFFECTED   | FY 2009    | FY 2010                    | FY 2011                    |
| Road Fund   | \$0        | \$0 or \$34,000,000        | \$0 or \$71,000,000        |
| Transportation Fund   | \$0        | \$0 or \$2,000,000         | \$0 or \$4,000,000         |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0 or \$36,000,000</b> | <b>\$0 or \$75,000,000</b> |

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

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2009    | FY 2010    | FY 2011    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) |          |          |          |
|--|----------|----------|----------|
| FUND AFFECTED                                      | FY 2009  | FY 2010  | FY 2011  |
|  |          |          |          |
|  |          |          |          |
| <b>Total Estimated<br/>Net Effect on<br/>FTE</b>   | <b>0</b> | <b>0</b> | <b>0</b> |

☐ 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 2009    | FY 2010    | FY 2011    |
| <b>Local Government</b>             | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## 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.

The proposal creates a transfer from General Revenue to the State Road Fund. 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 FY 08, and transfer 10% of this difference to the State Road Fund. This transfer will decrease general revenue available for other state programs.

Officials at the **Missouri Department of Transportation** (MoDOT) assume an increase in funds to the State Road Fund and the State Transportation Fund. MoDOT assumed a 4.5% general revenue growth rate based on its historical average. The estimate of the transfer to these funds is listed below:

(Amounts in Millions)

| Fiscal Year | GR Under Current Law | GR with additional revenue from transp. investment | GR less Highway Funds | Amount to Highways (10% of Growth over FY 2008) | Amount to State Road Fund (95%) | Amount to State Transp. Fund (5%) |
|-------------|----------------------|--|-----------------------|---|---------------------------------|-----------------------------------|
| FY 09       | \$8,427              | \$8,427  |                       |   |                                 |                                   |
| FY 10       | \$8,806              | \$8,808  | \$8,772               | \$36  | \$34                            | \$2                               |
| FY 11       | \$9,202              | \$9,208  | \$9,134               | \$74  | \$71                            | \$4                               |
| FY 12       | \$9,616              | \$9,629  | \$9,515               | \$114   | \$109                           | \$6                               |

Officials at the **Office of the State Treasurer** assume they will need an FTE to calculate the increase in net general revenue and process the transfer of funds.

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

ASSUMPTION (continued)

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 2007 at the August and November elections there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.2 million to publish (an average of \$193,000 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 that this is a constitutional amendment and would not impact state funds unless it is passed. Oversight has shown the impact as "\$0 to loss or gain".

**Oversight** assumes that the Office of the State Treasurer can absorb the additional responsibilities with existing resources.

| <u>FISCAL IMPACT - State Government</u>                | FY 2009<br>(10 Mo.)     | FY 2010                                 | FY 2011                                 |
|--|-------------------------|---|---|
| <b>GENERAL REVENUE</b>                                 |                         |   |   |
| <u>Transfer Out</u> - General Revenue                  |                         |   |   |
| 10% transfer to Road Fund and<br>Transportation Fund   | <u>\$0</u>              | <u>(\$0 or<br/>\$36,000,000)</u>        | <u>(\$0 or<br/>\$75,000,000)</u>        |
| <b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE</b>     | <u><b>\$0</b></u>       | <u><b>(\$0 or<br/>\$36,000,000)</b></u> | <u><b>(\$0 or<br/>\$75,000,000)</b></u> |
| <b>ROAD FUND</b>                                       |                         |   |   |
| <u>Transfer In</u> - Road Fund                         |                         |   |   |
| 10% transfer from General Revenue                      | <u>\$0</u>              | <u>\$0 or<br/>\$34,000,000</u>          | <u>\$0 or<br/>\$71,000,000</u>          |
| <b>ESTIMATED NET EFFECT ON<br/>ROAD FUND</b>           | <u><b>\$0</b></u>       | <u><b>\$0 or<br/>\$34,000,000</b></u>   | <u><b>\$0 or<br/>\$71,000,000</b></u>   |
| <b>TRANSPORTATION FUND</b>                             |                         |   |   |
| <u>Transfer In</u> - Transportation Fund               |                         |   |   |
| 10% transfer from General Revenue                      | <u>\$0</u>              | <u>\$0 or<br/>\$2,000,000</u>           | <u>\$0 or<br/>\$4,000,000</u>           |
| <b>ESTIMATED NET EFFECT ON<br/>TRANSPORTATION FUND</b> | <u><b>\$0</b></u>       | <u><b>\$0 or<br/>\$2,000,000</b></u>    | <u><b>\$0 or<br/>\$4,000,000</b></u>    |
| <br><u>FISCAL IMPACT - Local Government</u>            | <br>FY 2009<br>(10 Mo.) | <br>FY 2010                             | <br>FY 2011                             |
|  | <u><b>\$0</b></u>       | <u><b>\$0</b></u>                       | <u><b>\$0</b></u>                       |

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

Upon voter approval, this proposed constitutional amendment allocates 10% of the amount of net growth of general revenue to the State Road Fund and the State Transportation Fund. Beginning in Fiscal Year 2010, 10% of the net increase in general revenue occurring between Fiscal Year 2008 and Fiscal Year 2009 will be transferred to the funds with 95% allocated to the State Road Fund and 5% to the State Transportation Fund. Any amount transferred to the State Road Fund will be appropriated without legislative action.

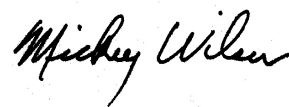
Beginning in Fiscal Year 2011, and for all subsequent fiscal years, the State Treasurer will determine the amount to be transferred by comparing the amount of net general revenue collected in the prior fiscal year to the amount collected in Fiscal Year 2008.

The moneys apportioned or distributed under these provisions will not be included within the definition of "total state revenues" as it is used in Section 17 of Article X of the Missouri Constitution or considered as an "expense of state government" as it relates to the Hancock Amendment.

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



Mickey Wilson, CPA

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