

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3433-02
Bill No.: HB 1659
Subject: Roads and Highways; Transportation Department; Agriculture and Animals
Type: Original
Date: February 1, 2010

Bill Summary: Establishes the “Showme Green Initiative.”

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Road Fund	(\$8,578,863)	(\$8,578,863)	(\$8,578,863)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$8,578,863)	(\$8,578,863)	(\$8,578,863)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume that while MHTC compensates some contractors who mow state highway rights of way, MoDOT also benefits where farmers or adjacent land owners mow state highway rights of way at no charge to MoDOT. Also, some mowing is performed at no cost by private individuals or civic groups through MHTC's adopt-a-highway program. This bill reduces MoDOT's flexibility to either compensate persons to mow MHTC right of way or to receive the cost benefit where individuals or groups are providing the service at no charge.

MoDOT's calendar year 2009 costs for mowing equaled approximately \$17,289,420. This includes both MoDOT forces and contract labor.

470,332.43 acres multiplied by \$36.76/acre = \$17,289,420

If MoDOT were required to contract all of its mowing, as this bill is drafted, the costs would equal approximately \$25,868,283. (470,332.43 acres multiplied by \$55/acre). \$55 represents an estimated contract price for mowing.

The total fiscal impact to MoDOT equals \$8,578,863 (\$25,868,283 - \$17,289,420).

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
STATE ROAD FUND			
<u>Cost - MoDOT</u>			
Contract mowing	<u>(\$8,578,863)</u>	<u>(\$8,578,863)</u>	<u>(\$8,578,863)</u>
ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(\$8,578,863)</u>	<u>(\$8,578,863)</u>	<u>(\$8,578,863)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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

This bill establishes the Showme Green Initiative which allows persons or entities to submit bids to the Department of Transportation to mow grass or vegetation along state roadways using the person's or entity's own equipment. In addition to receiving monetary compensation for the work, the person or entity will receive hay rights for the section of the roadway in the contract.

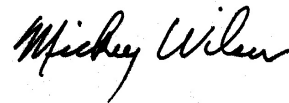
The department may enter into contracts with persons or entities to plant and harvest switchgrass or other grasses or produce approved by the department on the right-of-way of any state roadway. These contracts will be for a period of at least five years.

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

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SOURCES OF INFORMATION

Missouri Department of Transportation
Office of the Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA
Director
February 1, 2010