

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4034H.011  
Bill No.: HB 2238  
Subject: Department of Transportation; Contracts and Contractors  
Type: Original  
Date: January 17, 2024

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Bill Summary: This proposal requires publication of a cost estimate and project completion date for any work on the state highway system at the time bidding for a contract on the work first closes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</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 2025</b>	<b>FY 2026</b>	<b>FY 2027</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 \$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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Missouri Department of Transportation (MoDOT)** assume the following regarding this proposal:

MoDOT does not publish the Engineer’s Estimate to maintain the integrity of the confidential bidding system and to ensure fair competition among bidders. Publishing the Engineer’s Estimate would allow contractors to decipher MoDOT’s estimating methodology costs which would likely contribute to bid rigging and bidder collusion. This would result in an unfair advantage to some bidders, insufficient competition between bidders, increased construction costs and a poor and inefficient use of taxpayer funds.

Additionally, the Federal Highway Administration and USDOT Office of the Inspector General both recognize the dangers of publishing the Engineer’s Estimate and strongly caution against doing so to ensure adequate competition among bidders and a fair process for all bidders.

MoDOT assumes an unknown negative fiscal impact to the State Road Fund.

**Oversight** assumes the fiscal impact estimated by MoDOT would be a potential indirect impact; therefore, Oversight will not reflect a direct fiscal impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 appears to have no direct fiscal impact.

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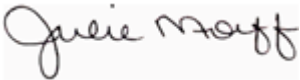
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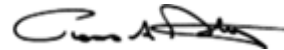
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation



Julie Morff  
Director  
January 17, 2024



Ross Strobe  
Assistant Director  
January 17, 2024