

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4947H.01I
 Bill No.: HB 2279
 Subject: Department of Transportation; Roads and Highways; Cities, Towns, and Villages
 Type: Original
 Date: January 17, 2024

Bill Summary: This proposal requires the display of city populations on city limit signs.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
State Road Fund (0320)	(Up to \$1,000,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Up to \$1,000,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Federal Funds*	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)	(Unknown, could exceed \$250,000)

*MoDOT assumes a potential loss in federal funding with the implementation of this proposal, if Missouri is deemed to be out of compliance with federal regulations.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	(Unknown)	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§71.025 – City Limit Signs

Officials from the **Missouri Department of Transportation (MoDOT)** state the Code of Federal Regulations requires MoDOT to comply with the Manual on Uniform Traffic Control Devices (MUTCD), which represents the national standard for the application of traffic control devices on all roadways open to public travel. The 11th Edition of the MUTCD, published in 2023, includes a new federal regulation prohibiting any additional information on city limit signs, such as populations. Noncompliance could jeopardize federal highway funds as determined by the Federal Highway Administration, with an unknown negative fiscal impact. It costs MoDOT forces an average of \$1 million every 10 years to update city population signs when a new census is released because the signs do not age out at the same time the update is needed.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MoDOT. For fiscal note purposes, Oversight will reflect the \$1 million estimated cost all in FY 2025. Oversight assumes, because of the new federal regulations in 2023, existing signs have not been updated with any additional information on city limit populations. In order to comply with the requirements of this proposal, Oversight will assume any cost to update city limit signs will be done in FY25 for this proposal.

Oversight has requested additional information from the MoDOT regarding if the potential loss in federal funds could reach the \$250,000 threshold. MoDOT states they don't have an estimate for what the amount would be as a percentage of Highway Funds penalized. This amount would be determined by the Federal Highway Administration, however, MoDOT assumes the amount could exceed \$250,000. Therefore, Oversight will reflect an unknown loss that could exceed \$250,000 in Federal Funds.

Officials from the **City of Kansas City** assume the proposed legislation will have a negative fiscal impact of an indeterminate amount.

Oversight has requested additional information from the City of Kansas City regarding their response. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

Oversight will also assumes cities could have similar costs by having to update their city limit signs (other than MoDOT signs) from this proposal. Therefore, Oversight will also reflect an unknown cost to cities and counties for this proposal in FY 2025 (and every ten years thereafter).

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
STATE ROAD FUND (0320)			
<u>Cost – MoDOT – updated information on population to city limit signs (\$71.025)</u>	<u>(Up to \$1,000,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>(Up to \$1,000,000)</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Loss – MoDOT – potential loss in funding with the implementation of this proposal (\$71.025)</u>	<u>(Unknown, could exceed \$250,000)</u>	<u>(Unknown, could exceed \$250,000)</u>	<u>(Unknown, could exceed \$250,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown, could exceed \$250,000)</u>	<u>(Unknown, could exceed \$250,000)</u>	<u>(Unknown, could exceed \$250,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
CITIES AND COUNTIES			
<u>Cost</u> – updated information on population to city limit signs (other than MoDOT signs) (\$71.025)	(Unknown)	\$0	\$0
ESTIMATED NET EFFECT ON FUNDS FOR CITIES AND COUNTIES	(Unknown)	\$0	\$0

FISCAL IMPACT – Small Business

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

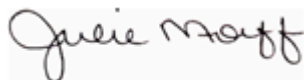
FISCAL DESCRIPTION

This bill requires city populations to be included on city limit signs.


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
 City of Kansas City



Julie Morff
 Director
 January 17, 2024



Ross Strobe
 Assistant Director
 January 17, 2024