

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1586H.02I
Bill No.: HJR 32
Subject: Missouri Department of Transportation; Office of Administration; Boards,
Commissions, Committees, and Councils
Type: Original
Date: February 11, 2025

Bill Summary: This proposal transfers authority over the Department of Transportation from the Highways and Transportation Commission to the Governor.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or (More than \$8,000,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$8,000,000)	\$0	\$0

*The potential fiscal impact of “(More than \$8,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Road Funds*	\$0 or Up to \$150,000	\$0 or Up to \$300,000	\$0 or Up to \$300,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Up to \$150,000	\$0 or Up to \$300,000	\$0 or Up to \$300,000

*Potential savings to MoDOT for MHTC expenses.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government*	\$0	\$0	\$0

*Transfer out and transfer in net to zero if the Governor calls a special election.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation (MoDOT)** state abolishing the Missouri Highways and Transportation Commission (MHTC) would restrict MoDOT's long-range planning for transportation projects and the ability to deliver much-needed transportation projects across the entire state with a dedicated, stable funding source.

Upon further inquiry, **Oversight** notes MoDOT's budget for the MHTC in FY 2024 was \$300,000; therefore, Oversight will reflect a savings of \$0 (voters do not approve the amendment to "Up to \$300,000" (voters approve the amendment) to MoDOT.

Officials from the **Office of the Governor (GOV)** assume this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

Oversight assumes GOV is provided with core funding to handle a certain amount of activity each year. Oversight assumes GOV could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, GOV could request funding through the appropriation process. Officials from the GOV assume the proposal will have no fiscal impact on their organization.

Officials from the **Missouri House of Representatives** and **Missouri Senate** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from **Office of the Secretary of State (SOS)** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$8 million based on the cost of the 2022 primary and general election reimbursements.

The Secretary of State's office is required 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. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY25 petitions cycle, the SOS estimates publication costs at \$60,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of the publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2025. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. The next scheduled statewide general election is in November 2024 (FY 2026). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2026.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than \$8,000,000)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	\$0 or (More than \$8,000,000)	\$0	\$0

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
STATE ROAD FUNDS			
<u>Savings</u> – MoDOT – no longer incurring MHTC expenses	\$0 or Up to <u>\$150,000</u>	\$0 or Up to <u>\$300,000</u>	\$0 or Up to <u>\$300,000</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUNDS	\$0 or Up to <u>\$150,000</u>	\$0 or Up to <u>\$300,000</u>	\$0 or Up to <u>\$300,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$8,000,000	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than <u>\$8,000,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<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.

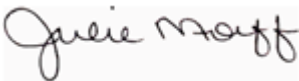
FISCAL DESCRIPTION

This joint resolution proposes a constitutional amendment dissolving the authority of the Highways and Transportation Commission and granting authority to the Department of Transportation.

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
Office of the Governor
Missouri Senate
Missouri House of Representatives
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
February 11, 2025



Jessica Harris
Assistant Director
February 11, 2025