

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0180-03  
Bill No.: HB 823  
Subject: Transportation; Fees  
Type: Original  
Date: April 27, 2015

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Bill Summary: This proposal increases or decreases transportation fees annually by the percentage of inflationary increase or decrease.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
State Highways and Transportation Department Fund	\$17,433,500	\$22,068,965	\$22,631,724
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$17,433,500</b>	<b>\$22,068,965</b>	<b>\$22,631,724</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** did not respond to Oversight's request for fiscal impact.

**Oversight** assumes this proposal would require each fee or tax contained in chapters 226, 301, 302, 303, 304, 305 and 306 and section 389.612 that is deposited into the State Highways and Transportation Department Fund (Fund) to be subject to an annual increase or decrease based on the Consumer Price Index.

According to the Bureau of Labor Statistics, the Consumer Price Index for all Urban Consumers 10 year average inflation rate is 2.55%. In FY 2014, MoDOT's revenue from taxes and fees were roughly \$800,000,000 according to MoDOT's annual report. The table below shows the total amount of revenue that could be potentially generated if the Fund was subject to inflation using the 10 year average inflation rate.

MoDOT Revenue	10 year Average Inflation Rate	Total Revenue
\$800,000,000	2.55%	\$820,400,000

Since the amount of future revenue MoDOT generates from taxes and fees is unknown and future inflation rates are unknown, for fiscal note purposes, Oversight will reflect a revenue to the State Highways and Transportation Department Fund by using MoDOT's FY 2014 revenue from taxes and fees and the 10 year average inflation rate. Oversight will reflect a 2.55% inflation increase each year.

**This proposal will increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND</b>			
<u>Revenue - MoDOT</u>	<u>\$17,433,500</u>	<u>\$22,068,965</u>	<u>\$22,631,724</u>
Taxes and Fees subject to inflation			
<b>ESTIMATED NET EFFECT TO THE STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND</b>	<b><u>\$17,433,500</u></b>	<b><u>\$22,068,965</u></b>	<b><u>\$22,631,724</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

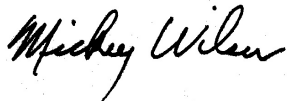
FISCAL DESCRIPTION

This bill requires vehicle licensing, registration, highway use, drivers licensing, airport, airplane, seaport and waterborne craft regulatory taxes, and fees collected to be adjusted annually for inflation as measured by the federal Consumer Price Index.

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



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