

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1486-02  
Bill No.: HCS for HB 834  
Subject: Transportation; Roads and Highways; State Treasurer  
Type: Original  
Date: March 6, 2017

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Bill Summary: This proposal creates the Freight Corridor Fund, which shall be used to expand the traffic capacity of certain highways.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 2018	FY 2019	FY 2020
Freight Corridor Fund	\$0	\$22,879,148	\$22,879,148
State Road Fund	\$0	(\$22,879,148)	(\$22,879,148)
<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.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to a previous version, officials from the **Department of Revenue (DOR)** stated that in FY 2016, there were 1,143,957,412 gallons of diesel fuel sold. At \$0.02 per gallon, this would generate \$22,879,148 to the Freight Corridor Fund, with an equal reduction to the State Road Fund.

DOR assumes the proposal will have no fiscal impact on their organization.

Officials from the **Office of Administration - Budget and Planning** estimate this proposal, in each full fiscal year, will divert \$20.4 million from the State Road Fund to the newly created Freight Corridor Fund. This amount assumes the number of net gallons of diesel fuel taxed in FY 2016 will remain consistent going forward.

Officials at the **Department of Transportation (MoDOT)** defer to DOR for any fiscal impact.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

For purposes of this fiscal note, **Oversight** will use DOR's numbers regarding the number of gallons of diesel fuel sold and the funds generated.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>FREIGHT CORRIDOR FUND</b>			
<u>Revenue</u> - MoDOT - \$0.02 of diesel fuel tax	\$0	<u>\$22,879,148</u>	<u>\$22,879,148</u>
<b>ESTIMATED NET EFFECT ON THE FREIGHT CORRIDOR FUND</b>	<b><u>\$0</u></b>	<b><u>\$22,879,148</u></b>	<b><u>\$22,879,148</u></b>
<b>STATE ROAD FUND</b>			
<u>Loss</u> - MoDOT - \$0.02 of diesel fuel tax going to Freight Corridor Fund	\$0	( <u>\$22,879,148</u> )	( <u>\$22,879,148</u> )
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b><u>\$0</u></b>	<b><u>(\$22,879,148)</u></b>	<b><u>(\$22,879,148)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

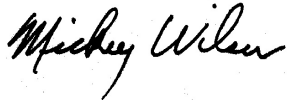
Beginning July 1, 2018, this bill establishes the "Freight Corridor Fund" consisting of moneys appropriated from the state road fund equal to the revenue generated by \$.02 of the motor fuel tax on diesel fuel. The fund shall be used to expand the traffic capacity of the primary freight network roads, as designated by the Secretary of Transportation.

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

Office of the State Treasurer  
Department of Revenue  
Department of Transportation  
Office of Administration - Budget and Planning



Mickey Wilson, CPA  
Director  
March 6, 2017

Ross Strobe  
Assistant Director  
March 6, 2017