

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5707-01  
Bill No.: HJR 124  
Subject: Department of Transportation; Governor and Lieutenant Governor; Boards, Commissions, Committees, and Councils  
Type: Original  
Date: March 6, 2020

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Bill Summary: This proposal dissolves the Highways and Transportation Commission.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue*	\$0 or (More than \$7,800,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue*</b>	<b>\$0 or (More than \$7,800,000)</b>	<b>\$0</b>	<b>\$0</b>

\*The potential \$7.8 million cost is if the Governor calls for a special election for this subject.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
State Road Fund	\$0 or \$1,500	\$0 or \$1,500	\$0 or \$1,500
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or \$1,500</b>	<b>\$0 or \$1,500</b>	<b>\$0 or \$1,500</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer out and transfer in net to zero **if** a special election is called.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** assume this proposal would amend Sections 29 and 30(c) under Article IV of the Missouri Constitution by removing the Missouri Highways and Transportation Commission from overseeing MoDOT and the state highway system. Instead, HJR 124 places the Director in charge of MoDOT, and requires this person to be appointed by the Governor with consent of the Senate. The Director would also oversee the state highway system, transportation programs, and facilities including the other modes of transportation.

By law, the members of the Commission (6) are entitled to a \$25 per day per diem and expenses. Most of the members do not collect the per diem, and some occasionally request mileage reimbursement.

The following is a summary of the expenses paid.

Calendar Year 2019: \$1,645.38

Calendar Year 2018: \$1,467.51

**Oversight** does not have any information to the contrary in regards to MoDOT's assumptions; therefore, Oversight will reflect \$0 (if the joint resolution is not passed by Missouri voters) or MoDOT's savings of approximately \$1,500 per year if the joint resolution passes, on the fiscal note.

Officials from the **Office of the Governor** assume Section A, Sections 29 and 30(c), Article IV, of the Constitution of Missouri removes the Highways and Transportation Commission and states that the Department of Transportation will be in charge of a director appointed by the Governor. There should be no added cost to the Governor's office as a result of this measure.

**Oversight** notes that the Office of the Governor has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for the Office of the Governor.

Officials from the **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.

ASSUMPTION (continued)

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, §115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

The SOS 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.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

The SOS 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, we reserve the right to request funding to meet the cost of our 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 2021. 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 primary election is in August 2020 and the next scheduled general election is in November 2020 (FY 2021 for both). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor (on a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2021.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

ASSUMPTION (continued)

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>GENERAL REVENUE FUND</b>			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs <b>if</b> a special election is called by the Governor	\$0 or (More than <u>\$7,800,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>\$0 or (More than <u>\$7,800,000</u>)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>STATE ROAD FUND</b>			
<u>Savings</u> - MoDOT - elimination of commission's reimbursable expenses	<u>\$1,500</u>	<u>\$1,500</u>	<u>\$1,500</u>
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b><u>\$1,500</u></b>	<b><u>\$1,500</u></b>	<b><u>\$1,500</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than <u>\$7,800,000</u>	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election <b>if</b> called for by the Governor	\$0 or (More than <u>\$7,800,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<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

This proposal dissolves the Highways and Transportation Commission.

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

Department of Transportation  
Office of the Governor  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Julie Morff  
Director  
March 6, 2020



Ross Strope  
Assistant Director  
March 6, 2020