



*April 20, 2007*

## ***The GR Capitol Report***

Governmental Relations 573/522-9284

### **SENATE CONFIRMS COMMISSIONER RUDOLPH E. FARBER'S APPOINTMENT:**

On April 18, the Senate Gubernatorial Appointments Committee held a hearing to meet and question Mr. Rudolph E. Farber. Sen. Gary Nodler (R-Joplin) presented Mr. Farber to the committee. In his presentation, the Senator explained that Mr. Farber has been a resident of Neosho, Missouri for over 60 years and has worked for the Community Bank and Trust for 50 years. The Senator was very complimentary in his statements about Mr. Farber being a generous philanthropist and a benefactor to industrial and economic development in Southwest Missouri. The questions asked of Mr. Farber addressed toll roads, cooperation between the MHTC/MoDOT and the General Assembly and campaign contributions. At the end of the hearing, Sen. Gibbons stated to Mr. Farber that "You are joining a small group of only 6 commissioners with a tremendous responsibility." Sen. Gibbons stated that the commission basically is the board of directors of a \$3 billion construction company and how Mr. Farber's background in banking will be very beneficial during his term as a commissioner. On April 19, 2007, the Senate Chamber completed the appointment process with its full approval. Mr. Farber's first meeting as a commissioner will be May 9.

**CONTRACTOR SALES TAX EXEMPTION MAKING PROGRESS:** On April 19, the House Ways and Means Committee met to hear SCS SB 199 & 207 sponsored by Sen. Bill Stouffer (R-Napton). This bill will allow materials purchased by contractors to be sales tax free, when those materials are used on highway construction projects. Testifying in support of the proposal were: Ray McCarty for Associated Industries of Missouri and the Tax Payers Research Institute; Jack Atterberry with AGC Missouri; Rodney Gray for the Kansas City Heavy Contractors; Tricia Workman for AGC St. Louis; Doug Burnett for the Missouri Asphalt Association; and Trey Davis with the Missouri Chamber of Commerce. There was no testimony in opposition. The committee took no action on this proposal.

**BUDGET ACTIVITY THIS WEEK:** On April 18, the House Budget Committee approved HB 19 sponsored by the House Budget Committee chair, Rep. Allen Icet (R-Wildwood). HB 19 includes an appropriation from the State Highways and Transportation Department Fund in an amount of \$7.2 million to the Office of Administration for the Department of Public Safety to plan, design and construct a statewide interoperable communication system. This proposal will go to House Rules Committee and then to the House floor for debate.

On April 19, the House third read and passed HBs 17 and 18 sponsored by the House Budget Chair, Rep. Allen Icet (R-Wildwood). HBs 17 and 18 appropriate money for capital improvement projects involving state buildings and facilities.

HB 17 contains an appropriation from general revenue to the Department of Transportation in the amount of \$1.2 million for the development of Missouri ports, an appropriation from the State Highways and Transportation Department Fund to the Office of Administration in the amount of three hundred fifty seven thousand eight hundred fifty one dollars for its portion of improving facilities statewide, and an appropriation from the State Highways and Transportation Department fund to the Office of Administration for the Department of Public Safety in the amount of approximately \$12.8 million for the expenditures related to implementing phase 1 of the interoperable communication system and repairs and new construction of highway patrol facilities throughout the state.

HB 18 contains an additional appropriation from the state Highways and Transportation Department Fund in the amount of approximately \$4.6 million for the repairs and construction to highway patrol facilities.

On April 19, the Senate Appropriations Committee passed HB 4, which contains the majority of the appropriations to MoDOT. The bill now goes to the full Senate for debate.

**HOUSE FLOOR ACTION:** On April 17, the House third read and passed HCS SB 30 sponsored by Sen. Gary Nodler (R-Joplin). Rep. Bryan Stevenson (R-Webb City) handled the bill in the House. The bill includes the following provisions of interest to MoDOT:

- Authorizes an exemption from the motor fuel tax for motor fuel sold for use by an interstate transportation authority, a city transit authority or a city utilities board to operate a public mass transportation facility; and
- Removes the "solely in interstate commerce" requirement for the state and local sales and use tax exemption for motor vehicles used by common carriers.

The bill, as amended, passed by a vote of 83 ayes and 62 noes.

**SENATE TRANSPORTATION COMMITTEE VOTES OUT TWO OMNIBUS BILLS:**

On April 18, the Senate Transportation Committee approved two omnibus House transportation bills that will now go to the Senate floor for debate.

HB 744 proposes to give Missouri the authority to adopt a new federal registration program that replaces the former Single State Registration System. MoDOT supports HB 744, otherwise known as the Unified Carrier Registration Program (UCR), stating the bill would accommodate the registration needs of commercial motor carriers while retaining registration fees the state currently receives from this program.

Another provision in HB 744 is necessary for MoDOT to be in compliance with federal requirement for effective outdoor advertising control by giving MoDOT authority to void outdoor advertising permits if the permit was issued in violation of state law or under false pretense. Approximately, \$50 million a year in federal highway funds are in jeopardy unless this bill is passed this legislative session.

A floor substitute for HB 744 is being drafted to add many of the provisions from SB 239. SB 239 is another omnibus proposal discussed later in this report.

SCS HB 596 authorizes the Highways and Transportation Commission to accept an annual bid bond for its construction and maintenance projects. The omnibus bill also contains the Unified Carrier Registration system that replaces the state's current single state registration system; a sales tax exemption on construction materials used in MoDOT construction projects; and a provision that loosens up the Missouri Highways and Transportation Commission authority relating to surety bonds for large design-build construction projects.

**HOUSE TRANSPORTATION COMMITTEE VOTES OUT TWO SEPARATE TRANSPORTATION OMNIBUS BILLS:** Similar to the Senate Transportation Committee activity, this week the House Transportation Committee approved two omnibus Senate transportation bills that will now go to the House floor for debate.

On April 17, the House Transportation Committee voted do pass HCS SCS SB 104, sponsored by Senator Stouffer (R-Napton). The bill, as originally filed, contained MoDOT's highway safety division and highway patrol clean up language. However, the highway safety division provisions were stripped from the bill in the House Transportation Committee and the following provisions of interest to MoDOT are now included in HCS SCS SB 104:

- Authorizes the State Highways and Transportation Commission to take the necessary steps to implement and administer a state plan to conform with the Unified Carrier Registration Act (UCR Act) of 2005;
- Exempts from the payment of fuel tax, fuel purchased for the operation of school buses and fuel purchased for the operation of public mass transportation service by a city transit authority, a city utilities board or an interstate transportation authority. The bill further would require the Department of Revenue to develop simplified rules for all motor fuel tax exemptions;
- Exempts from payment of sales tax materials purchased to be used in Department of Transportation projects;
- Requires MoDOT to establish rules for implementing a drunk driver victim memorial sign program;
- Modifies the definitions of the terms "local log truck" and "local log truck tractor" by expanding the area in which such vehicles can operate in a 100-mile radius. Under

current law, such vehicles are to be operated at a forested site and in an area extending not more than a 50 mile radius from such site;

- Changes the law with regard to the reissuance of license plates and would grant the Director of the Department of Revenue discretion when to begin reissuance so long as it occurs no later than January 1, 2009;
- Requires the Director of the Department of Revenue to deny driver's license applications to persons 15 to 18 years of age who have failed to maintain certain educational eligibility standards developed by their local school districts (attendance, grades and assessment scores);
- Authorizes the Director of the Department of Revenue to deny issuance or renewal of a school bus endorsement to any applicant whose driving record shows that the applicant has been convicted of an intoxication-related traffic offense while operating a school bus;
- Increases the driver's license suspension periods for motorists who fail to stop for school buses that are loading or unloading children;
- Requires immediate surrender of license plates by any person whose driver's license has been suspended, revoked or disqualified for a period of not less than 60 days. The person shall be issued a set of restricted license plates that are different in color from regular plates;
- Prohibits the expungement of a minor in possession (MIP) charge for holders of commercial driver's licenses or persons operating commercial motor vehicles at the time of the violation;
- Includes failure to appear by a commercial license holder or operator of a commercial motor vehicle as a commercial driver offense requiring indefinite suspension until compliance;
- Disqualifies in a manner prescribed by federal regulations, any person convicted for the first time of driving while out of service;
- Provides that the CDL written test shall only be administered in English and that applicants must have an English sufficiency level that allows them to read and speak English sufficiently to understand traffic signals, etc. Interpreters when testing are prohibited;
- Authorizes the Director of the Department of Revenue to waive the driving skills test for any qualified military applicant for a commercial driver license who is currently licensed at the time of application for a commercial driver's license;
- Defines the term "utility vehicle" as any motorized vehicle manufactured and used exclusively for off-highway purposes, which is 63 inches or less in width, has an unladen

dry weight of 1,900 pounds or less, travels on four or six wheels and is used primarily for agricultural, landscaping, lawn care or maintenance purposes;

- Increases the maximum length for driveaway saddlemount combinations from 75 feet to 97 feet when operated on the interstate highways;
- Provides that the maximum gross vehicle weight limit and axle weight limit for heavy-duty vehicles equipped with idle reduction technology may be increased (up to an additional 400 pounds) to account for the technology;
- Provides that commercial vehicle officers shall be declared to be peace officers and complete training that other peace officers undertake;
- Provides for automated red light running cameras where any person who commits a steady red light violation, that is detected and enforced through an automated photo red light enforcement system, is guilty of an infraction. The bill would require MoDOT to certify the signal phase timings;
- Includes provision that the child passenger restraint law shall not apply to school buses transporting children four years of age or older regardless whether such buses are being used for educational, religious or other purposes. The current exemption only applies to school buses used for educational purposes; and
- Requires courts to forward alcohol or drug-related driving offense dispositions to the Department of Revenue within seven days and requires the Department of Revenue to then forward the information to the Missouri State Highway Patrol within fifteen days.

Also on April 17, the committee held a hearing on SB 52, sponsored by Sen. Bill Stouffer (R-Napton). This bill, as introduced, contained MoDOT's annual bid bond proposal, which would allow MoDOT to accept an annual bid bond from contractors. Contractors would be able to purchase an annual bid bond rather than having to purchase a bid bond for each construction project.

Lisa LeMaster, MoDOT's legislative liaison, testified in support of the proposal. No one testified in opposition.

Discussion then took place that a committee substitute was being prepared and would be offered during an executive session later in the week.

On April 19, the House Transportation Committee voted a House Committee Substitute for SCS SB 52 do pass. During discussion on the HCS, there was considerable debate about modifying the motor vehicle inspection program. The HCS will modify the motor vehicle inspection program by exempting vehicles with less than 50,000 miles or newer than 5 years old from a motor vehicle inspection. Vehicles will have to be inspected prior to being sold or traded regardless of age or mileage. Additional transportation related provisions in the HCS include:

- Exempts from the payment of fuel tax, fuel purchased for the operation of school buses and fuel purchased for the operation of public mass transportation service by a city transit authority, a city utilities board or an interstate transportation authority. The bill further would require the Department of Revenue to develop simplified rules for all motor fuel tax exemptions;
- Exempts from payment of sales tax materials purchased to be used in Department of Transportation projects;
- Loosens up the Missouri Highways and Transportation Commission authority relating to surety bonds for large design-build construction projects.
- Requires MoDOT to establish rules for implementing a drunk driver victim memorial sign program;
- Modifies the definitions of the terms "local log truck" and "local log truck tractor" by expanding the area in which such vehicles can operate in a 100-mile radius. Under current law, such vehicles are to be operated at a forested site and in an area extending not more than a 50 mile radius from such site;
- Changes the law with regard to the reissuance of license plates and would grant the Director of the Department of Revenue discretion when to begin reissuance so long as it occurs no later than January 1, 2009;
- Authorizes the State Highways and Transportation Commission to take the necessary steps to implement and administer a state plan to conform with the Unified Carrier Registration Act (UCR Act) of 2005;

SB 52 now goes to the full House for further debate and consideration.

**TRANSPORTATION BILL IS REFERRED TO HOUSE SPECIAL COMMITTEE ON TAX REFORM – GO FIGURE:**

In an unusual procedural move, SB 239, a transportation related bill, was referred to the House Special Committee on Tax Reform instead of the Transportation Committee. On April 17, SB 239, sponsored by Sen. Bill Stouffer (R-Napton), was heard before the House Special Committee on Tax Reform. The bill is another senate omnibus transportation bill. The bill, as presented before the committee, contained numerous transportation related issues very similar to those included in HCS SCS SB 104.

Lisa LeMaster, MoDOT legislative liaison, testified in support of SB 239 with regard to Unified Carrier Registration, design build bonding cleanup and the sales tax exemption on construction materials for MoDOT projects provisions.

Others testifying in support of the bill were Bob Wilson, Missouri Motor Carriers Association; Jeff Glenn, Missouri Department of Revenue; Captain Bret Johnson, Missouri State Highway Patrol; Ray McCarty, Associated Industries of Missouri; Dale Findlay, Missouri Coalition for

Roadway Safety; Patrick Bonnot, Missouri Municipal League; and Janet Hirschman, Missouri Dump Truckers Association.

No one testified in opposition.

On April 19, the committee approved the bill in an executive session. The version of SB 239, as presented for executive session, did not include MoDOT design-build bonding cleanup provisions. The committee adopted several amendments to the bill before approving the full committee substitute. The amendments adopted that impact MoDOT include the following:

- Automated red light camera enforcement;
- Expansion of commercial zones around the St. Louis and Kansas City areas; and
- Increase in driver's license fees to be deposited into a Drivers' Education Fund to be used by the department of elementary and secondary education to develop a driver's education course and provide course cost subsidies.

The bill will go to the House floor for debate.

**LEGISLATIVE MATRIX:** Attached is Governmental Relations bill progress matrix, which shows some of the more important transportation bills that the department is tracking. If you should have any questions about these or any other pending legislative proposals, contact GR at 573.522.9284.

***UPCOMING TRANSPORTATION EVENTS:***

May 18 – Last day of the 2007 legislative session