

Here is the wrap-up on the legislative sessions as it regarded MoDOT.

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2007 LEGISLATIVE WRAP-UP REPORT

Unlike any other recent legislative session in recent history, MoDOT had never been confronted with so many different legislative ideas and proposals that chipped away at the department's constitutional and statutory authority as well as its core-revenue stream.

Call it "legislative term-limits" or call it "legislators simply not knowing" - either way MoDOT had several challenges that it faced throughout the 2007 legislative session.

The following is a summary of some of the transportation-related bills that passed this legislative session. These legislative proposals now wait for the Governor's consideration to be signed into law. Any bills signed into law by the Governor will go into effect August 28, 2007.

RETIREMENT

HCS/SB 127 - Current law allows uniformed members of the highway patrol to purchase, prior to retirement, up to four years of creditable service for any time such person served as a non-federal full-time public employee in this state prior to becoming a member of the system.

This act extends the aforementioned provision to every member of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), which includes each employee of the Highways and Transportation Commission, each uniformed member of the highway patrol, and each civilian or non-uniformed employee of the state highway patrol. Further, the act removes a provision requiring the filing of an affidavit stating that the member is not receiving credits or benefits from any other public plan for the service to be purchased. The act also states that all such creditable service payments must be completed prior to retirement or termination of employment. If a member who purchased creditable service dies prior to retirement, the surviving spouse may, upon written request, receive a refund of the amount contributed for such purchase of such creditable service.

The act also provides that there shall be two retirees on the board of trustees for the MPERS retirement system, rather than one, in addition to board members provided in current law.

One retiree shall be elected by the retired employees of the transportation department and the other shall be elected by the retired employees of the civilian or uniformed highway patrol. The retiree serving on the board on August 28, 2007, shall continue to serve on the board as a representative of the retired employees of the transportation department until June 30, 2010. An election shall be held before January 1, 2008 for the retiree to be elected by the retired employees of the civilian or uniformed highway patrol; such term shall begin January 1, 2008, and expire on June 30, 2010. All terms of elected retired employees shall be for four years after June 30, 2010.

COMMERCIAL MOTOR VEHICLES

HCS/HB 28 - allows a household goods common carrier to file an application with the Missouri Highways and Transportation Commission to reflect increases and decreases its operational costs. The application process will be governed by the commission and will follow rules similar to the rate hearing procedures for utility companies.

Beginning January 1, 2008, carriers of household goods will be required to obtain Department of Transportation authority to operate in municipalities, between municipalities, and in commercial zones.

HCS/SB 322 - this bill makes several changes to Missouri's commercial zone laws. Specifically, the bill:

. Modifies construction-related activities by extending the commercial zone surrounding the City of St. Louis 25 miles beyond its city limits.

. The current law extends the commercial zone 18 miles beyond the St. Louis city limits. The act further extends the commercial zone throughout St. Charles County.

. The act also establishes a commercial zone east of the city limits of Missouri City along state route 210 and northwest from the intersection of state route 210 and state route 10 to include the boundaries of Excelsior Springs.

HIGHWAY DESIGNATIONS

HB 56 - designates a memorial bridge and several memorial highways including:

(1) The portion of State Highway 112 from the intersection of State Highway 76 south to the intersection of State Route AA in Barry County as the "Deputy Christopher Lee Castetter Memorial Highway";

(2) The portion of State Route M between Old Lemay Ferry Road and Moss Hollow Road in the City of Barnhart as the "Officer Stephen Strehl Memorial Highway";

(3) The portion of State Highway 7 from the south edge of the city limits of Blue Springs south to the intersection of U. S. Highway 50 as the "Larry Stewart Secret Santa Memorial Highway";

(4) The new bridge over the Missouri River on Interstate 29/35 in Kansas City as the "Christopher S. Bond Bridge";

(5) The portion of Interstate 44 from the city limits of St. Louis to the intersection of Kingshighway as the "Officer Michael Barwick Memorial Highway";

(6) The portion of U. S. Highway 61/67 between Wolf Hollow Road and State Route M in the City of Barnhart as the "1922 Sulphur Springs Rail Disaster Memorial Highway";

(7) The portion of State Highway 110 from U. S. Highway 67 to State Highway 21 in Jefferson County as the "DeSoto Railroad Employees Memorial Highway";

(8) The portion of State Highway 74/34 from the Missouri/Illinois state line west to the intersection of Business Loop 55/U. S. Highway 61/State Highway 34 in Cape Girardeau County as the "John Oliver Jr. Parkway"; and

(9) The portion of U. S. Highway 60 from the intersection of U. S. Highway 60 and State Route ZZ to the intersection of U. S. Highway 60 and State Highway 25 in Stoddard County as the "Sergeant Carl Dewayne Graham Jr. Memorial Highway."

HB 732 - adds emergency personnel killed while performing their duties to the list of individuals who are eligible for memorial highway or bridge designations process.

OMNIBUS LEGISLATIVE PROPOSALS

CCS/HCS/SS/SCS/SB 22 - this bill made over 150 changes to existing local governments law. A few of the transportation-related sections that are modified include:

. After June 30, 2007, the bill allows for materials purchased for MoDOT construction projects to be exempt from state and local sales tax. A positive fiscal impact for FY '08 of about \$25 million to MoDOT has been projected, if contractors pass this savings on to MoDOT through the bid process. A negative impact for this same dollar amount is expected to the state's general revenue fund.

. Beginning January 1, 2008, the bill requires commercial motor vehicles to be prohibited from driving in the left hand lane within 3 miles of the intersection of I-70 and 370 in St. Charles County.

. The bill would allow the Governor to convey MoDOT's maintenance facility at 4th and Cherry in downtown Kansas City to the city of Kansas City. MoDOT currently operates a maintenance facility at this site that services the downtown loop. The department has opposed this legislation throughout the legislative session while continuing to negotiate and reach an agreement with the City and the Land Clearance Redevelopment Authority to relocate our maintenance facility at no cost to MoDOT.

MoDOT opposed the legislation based on the fact that property owned by the Commission can only be conveyed or sold with the consent of and by the Commission as outlined by Missouri's Constitution. MoDOT believes the Governor will sign this legislation into law, but the department will continue to argue that the Governor cannot legally convey the property.

MoDOT believes it can reach an agreement with the city and developer by agreeing to a reduction of the developer's payment to MoDOT by the estimated deferred maintenance and lease costs.

SS/SCS/HCS/HB 327 - this omnibus economic development bill contained several different tax exemptions. MoDOT opposes tax exemptions because they deteriorate the revenue tax base for the operation of the department. The allowance of these exemptions could be expanded for additional future tax relief measures. Exemptions that passed this year include:

. Exempts motor fuel used for public schools districts buses from the state's motor fuel tax. Estimated negative fiscal impact to MoDOT is about \$1.8 million in FY '08 and continually increases into the future based upon usage.

. Exempts motor fuel used for public mass transportation from the state's motor fuel tax. Estimated negative fiscal impact to MoDOT is about \$1.0 million in FY '08 and continually increases into the future based upon usage. This proposal is also found in CCS HCS SB 30.

. Exempts new diesel-powered motor vehicles with a gross vehicle rating of less than 8,500 pounds from state taxes. Estimated negative annual fiscal impact is about \$1.2 million a year beginning in FY '08. This proposal is also found in CCS HCS SB 30.

. Exempts new motor vehicles designed to operate on E-85 fuel from the state sales tax in FY '08. Estimated one-time negative fiscal impact to MoDOT is about \$3 million for FY '08.

. Exempts all aviation jet fuel sold to an airline for transoceanic flight. Estimate negative fiscal impact to the state's aviation trust fund is about \$400,000 a year, but that amount could continually increase into future years based upon usage.

If signed into law, these proposals go into effect August 28, 2007. MoDOT staff is currently considering whether to request a veto of the Governor as it relates to the various exemptions.

HUNTING HERITAGE PROTECTION AREAS ACT

SS/SCS/SB 225 - this proposal establishes the Hunting Heritage Protection Area Act. Hunting Heritage Protection areas are defined as the 100-year floodplains of the Missouri and the Mississippi Rivers as designated by the Federal Emergency Management Agency. Certain areas are exempt from the act, which are: areas designated as "urbanized areas" according to the 2000 U.S. Census; land used by facilities that are regulated by the Federal Energy Regulatory Commission; land used for the operation of physical ports of commerce and customs ports; land within Kansas City and St. Louis City; and land located within one-half mile of an interstate highway, as such highway exists as of August 28, 2007.

No new tax increment financing (TIF) project may be authorized in a hunting heritage protection area after August 28, 2007, except for the purposes of improving existing flood or drainage protection or for constructing or operating a renewable fuel production facility, provided that no new development occur as a result of the projects.

This proposal could have a negative impact on future expansions of certain portions of interstates within one-hundred year flood plains because if such interstates are expanded after August 28, 2007, such hunting areas are locked in at the August 28, 2007 date, so that such hunting areas will be in closer proximity to the interstate. It is unknown which specific ports in Missouri already have formed TIFs to develop their facilities and therefore would be impacted by the limited modifications provision, or those ports that may be considering using the TIF statutes for such future development but have not created such TIF district yet (and would not be able to use a TIF after August 28, 2007). This proposal is also found in and SS/SCS/HCS/HB 327.

MHTC/MoDOT'S 2007 LEGISLATIVE AGENDA FAILS TO PASS - ALL OTHER TRANSPORTATION-RELATED PROPOSALS FAIL THIS SESSION: In a bazaar ending to a bazaar legislative session, any special interest group or safety coalition working to pass transportation initiatives this session eventually found its legislative proposal in one bill by the end of session - SS/SCS/HB 596.

This all-encompassing, all-inclusive, all omnibus transportation package included everything from license plates, to motorcycle safety measures, to a new drunk driving memorial sign program. The bill also included all of the MHTC/MoDOT's 2007 legislative proposals.

Unfortunately, by the end of the last week of session, by no fault of any measure found in SS/SCS/HB 596, the bill failed to receive legislative approval. In fact, the reason SS/SCS/HB 596 wasn't pass didn't have anything to do with the issue of transportation; it didn't have anything to do with any provision found in the bill; and it didn't have anything to do with MoDOT or it operations.

Nope. Not at all.

The reason SS/SCS/HB 596 failed was because the bill was being held hostage by one legislative chamber over another with the anticipation the opposite chamber would blink and pass a completely different and more controversial bill.

When the smoke cleared, the 2007 session had ended and SS/SCS/HB 596 died.

The following was a list of MHTC/MoDOT proposals that failed to pass this session because of legislative maneuvering during the last week of session:

Unified Carrier Registration (UCR) - this legislative proposal would have replaced the state's Single State Registration System (SSRS) for commercial motor vehicles (CMV) that sunset in January 2007 due to changes made in the federal SAFETEA-LU act. No opposition to this proposal was expressed during session.

Missouri has been prohibited from collecting CMV registration fees since the sunset of the SSRS in January 2007. Without the passage of this proposal, Missouri forfeits revenues in the amount of \$2.3 million for FY '08 due to its inability to collect registration fees. Missouri motor carriers will now be required to register their commercial motor vehicles in another state that participates in the UCR program or until such time the Missouri legislature actions upon passing UCR legislation.

Outdoor Advertising - this legislative proposal would have given MoDOT the authority to void outdoor advertising permits under certain circumstances. Missouri is currently out of federal compliance because it does not have the legal authority to void outdoor advertising permits under certain circumstances. No opposition to this proposal was expressed throughout session.

Missouri has been warned by the Federal Highway Administration that 10 percent of its \$500 million in federal-aid highway construction funds would be in jeopardy unless MoDOT strengthened its outdoor advertising laws to be in compliance with federal law. MoDOT would lose about \$50 million in FY '08. In the meantime, the MHTC had recently promulgated administrative rules to address the federal compliance issue. Unless the regulating authority overturns these rules, it appears the department has complied with FHWA direction at this time.

Annual Bid Bonds - this legislative proposal would have allowed MHTC to receive annual bid bonds for any contract for construction, maintenance, repair, or improvement of any bridge or highway in the state highway system. No opposition to this proposal was expressed during session. This proposal would have allowed MoDOT and contractors to work more efficiently in the electronic bid process by allowing annual bid bonds in place of individual bid bonds.

Highway Safety Name Change - this legislative proposal would have cleaned up language needed for various statutes from when Highway Safety was transferred to MoDOT from the Department of Public Safety as a result of a 2003 Governor's Executive Order. This proposal was actively opposed by the Police Chief's Association and the Missouri Sheriff's Association because of misinformation about the transfer and what the actual intent of the proposal really pertained to.

With no codification of the transfer, statutes that refer to Highway Safety within the Department of Public Safety and not MoDOT may mislead the general public.

Multimodal Financing - this legislative proposal would allow the MHTC to issue bonds from revenue deposited into a dedicated funding source for the purpose of funding multimodal capital improvement projects and assist local transportation providers with the necessary match required for federal transit capital grants. No opposition to this proposal was expressed throughout session. Without this proposal, multimodal transportation funding will remain limited and dependent upon the amount of monies passed in the annual appropriations budget by the general assembly and its current two percent of the first one-half of the motor vehicle sales tax.

CAPITAL IMPROVEMENT BUDGET FAILS: Just like so many other proposals this year, the legislature failed to pass a capital improvements budget bill for FY '08. This is an appropriations bill that would have provided \$4 million in revenues for ports. On-going capital improvements to the SEMO and Pemiscot port facilities will now be delayed and also reduces MoDOT's ability assist in modernizing Missouri's public port facilities and improve freight movement.