

HCS HJR 96 -- FUEL TAX FOR MOTOR VEHICLES

SPONSOR: Reiboldt

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Transportation by a vote of 9 to 1.

Upon voter approval, this proposed Constitutional amendment would increase the existing fuel tax from \$0.17 per gallon to \$0.27 per gallon. The funds are distributed in the same manner as required under current law.

The bill has an effective date of January 1, 2019.

This bill is similar to HB 2091 (2018).

PROPOSERS: Supporters say that the bill will provide badly needed funding for the Department of Transportation. There has been no adjustment of fuel taxes for inflation for decades and Missouri currently has the lowest fuel tax of all surrounding states with the exception of some fuel costs in Oklahoma. Additional funding is necessary for the repair of roads and bridges and to ensure the maximization of federal matching funds. There is a general consensus that the ballot measure will be well supported by many groups who indicate a willingness to advertise on its behalf.

Testifying for the bill were Representative Reiboldt; Missouri Farm Bureau; Kansas City Heavy Contractors; American Council of Engineering Companies - Missouri; Site Construction Employees Coalition; Missouri Chamber of Commerce and Industry; Missouri Municipal League; County Commissioners Association of Missouri; Missouri Association of Counties; Missouri Concrete Association; Missouri/Kansas Concrete Pipe Association; Missouri Transportation & Development Council; Missouri Trucking Association; Missouri Dump Truckers Association; and the Missouri Limestone Producers Association.

OPPOSERS: Those who oppose the bill say that a \$0.10 increase at one time is much too large and could result in failure of the ballot measure. In any case, different types of fuels should be taxed at substantially equivalent rates. It might be plausible to raise the fuel tax by \$0.06 using a graduated approach to increases.

Testifying against the bill was the Missouri Petroleum Marketers and Convenience Store Association.