

HCS HB 2091 -- FUEL TAX

SPONSOR: Reiboldt

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Transportation by a vote of 9 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 8 to 2.

Upon voter approval, this proposed statutory initiative would increase the fuel tax by \$0.10 from its current level of \$0.17 per gallon to \$0.27 per gallon. It would also require alternative fuels to be taxed at a substantially similar rate approved by the Department of Agriculture beginning January 1, 2026.

The election is held in November 2018, and, if approved by the voters, the bill has a delayed effective date of January 1, 2019 for the gas tax change.

This bill is similar to HB 2092 (2017).

PROPONENTS: Supporters say that the bill will provide badly needed funding for the Missouri 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; Associated General Contractors of Missouri; Gretchen Ivy, HNTB Corporation; Tom Schneider, City of Florissant; Missouri Limestone Producers Association; Missouri Association of Counties; Missouri Department of Transportation; Missouri Municipal League; Missouri Asphalt Pavement Association; Missouri Trucking Association; Missouri Dump Truck Association; Site Improvement Association; American Council of Engineering Companies of Missouri; Missouri Chamber of Commerce and Industry; Missouri Farm Bureau; St. Joseph Legislative Partnership; St. Joseph Chamber of Commerce; Municipal League Metro St Louis; Missouri Concrete Association; Missouri/Kansas Concrete Pipe Association; Heavy Constructors Association of Greater Kansas City; American Concrete Paving Association; and Mercury Alliance.

OPPONENTS: 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.