

## HB 2092 -- FUEL TAX

SPONSOR: Reiboldt

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Transportation by a vote of 8 to 2.

Upon voter approval, this proposed statutory initiative would increase the fuel tax for gas by \$0.10 and the fuel tax for diesel fuel by \$0.12 from the current level of \$0.17 per gallon for both types of fuel to \$0.27 per gallon for gas, and \$0.29 per gallon for diesel fuel respectively.

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 2091 (2017).

PROPONENTS: Supporters say that the bill will raise revenue for the Missouri Department of Transportation to conduct needed road and bridge repair and to invest in federal matching grants and programs involving transportation infrastructure. There is an overwhelming consensus that transportation funding should be increased given the mileage of Missouri roads that the department is responsible for maintaining. National studies and rankings indicate that the department is very efficient with its spending and that it achieves an excellent return to the state in federal grant moneys. Fuel taxes have not been adjusted for inflation for over 30 years in many cases and the purchasing power of the department budget has declined by over 60%.

Testifying for the bill were Representative Reiboldt; Associated General Contractors 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; Mercury Alliance; Gretchen Ivy, HNTB Corporation; City of Florissant; Missouri Limestone Producers Association; Donald Rosenbarger, Delta Companies Inc; American Council of Engineering Companies of Missouri; Missouri Association of Counties; Patrick McKenna, Missouri Department Of Transportation; Missouri Municipal League; Missouri Asphalt Pavement Association; Missouri Trucking Association; Northland Regional Chamber of Commerce; Missouri Dump Truck Association; and the Site Improvement Association.

OPPONENTS: Those who oppose the bill say that a \$0.10 fuel tax

increase is too much at one time and that it will be difficult for voters to approve such a proposal. A \$0.06 increase phased in over time is preferable. In any case, all types of fuel and alternative fuels should be taxed at an equal rate insofar as that is practicable.

Testifying against the bill was the Missouri Petroleum Marketers & Convenience Store Association (MPCA).