

HCS HB 2148 -- FUEL TAXES

SPONSOR: Korman

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

Upon voter approval, this statutory referendum would increase the motor fuel tax from \$0.17 per gallon to \$0.23 per gallon using a gradual \$0.02 per gallon increase each year beginning on January 1, 2019, and ending with the increase on January 1, 2021.

Alternative motor fuels are also increased from \$0.05 per equivalent gallon measure to \$0.14 per equivalent gallon measure from January 1, 2020, until December 31, 2024, and then \$0.23 cents per equivalent gallon measure thereafter.

Certain decal fees for hybrid vehicles are also adjusted as specified in the bill.

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 Korman; Missouri Limestone Producers Association; 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 Kansas City; American Concrete Paving Association; Mercury Alliance; and Associated General Contractors of Missouri.

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 Associates.