

SS#2 SCS SB 262 -- TRANSPORTATION

SPONSOR: Schatz (Ruth)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Transportation by a vote of 13 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 7 to 4.

This bill modifies provisions relating to transportation.

TRANSPORTATION FUNDING

This bill enacts an additional tax on motor fuel, beginning with 2.5 cents in October 2021, and increasing by 2.5 cents in each fiscal year until reaching an additional 12.5 cents per gallon on July 1, 2025 (Section 142.803.3, RSMo).

Motor fuel used for propelling highway vehicles will be exempt from the additional tax, and an exemption and refund may be claimed by the taxpayer if the tax has been paid and no refund has been previously issued, provided that the taxpayer applies for the exemption and refund as provided in the bill (Section 142.822.1).

To claim an exemption and refund, a person must present written verification that the claim is made under penalty of perjury, and stating the amount of fuel tax paid in the applicable fiscal year for each vehicle for which the exemption and refund is claimed. The claim cannot be transferred or assigned, and must be filed on or after July 1, but not later than September 30, following the fiscal year for which the exemption and refund is claimed. The claim may be filed electronically, and must be supported by certain documentation as provided in the bill (Section 142.822.2).

Every person must maintain and keep records for 3 years to substantiate all claims for exemption and refund of the motor fuel tax, as specified in the bill (Section 142.822.3).

The Director of the Department of Revenue may investigate exemptions and refunds prior to their issuance, or following issuance but within the time frame for making tax adjustments as provided by law (Section 142.822.4).

The bill provides for payment of interest by the Director for exemptions and refunds not issued within 45 days of an accurate and complete filing (Section 142.822.5).

The exemption and refund of additional motor fuel tax will be available only with regard to motor fuel delivered into a motor

vehicle with a gross vehicle weight rating of 26,000 pounds or less (Section 142.822.6).

This bill also provides that the existing fuel tax exemption for non-highway use may be filed electronically, that applicants must retain original sales slips rather than submitting them to the Department, and that refunds must be issued within 45 days, rather than 30 days (Sections 142.824.1, 142.824.5 and 142.824.8).

The bill specifies that, the fees for alternative fuel decals are increased by 20% per year for a period of 5 years, except that the fee for vehicles in excess of 36,000 pounds is increased by 10% per year for a period of 5 years, and the fee for temporary decals is not modified (Section 142.869.2).

Lastly, the bill establishes within the Department of Revenue the "Electric Vehicle Task Force", with membership as specified in the bill, including two members of the Senate, one appointed by the Speaker Pro Tem and one by the Minority Leader and two members of the House of Representatives with one appointed by the Speaker and one appointed by the Minority Leader. As detailed in the bill, the Task Force must analyze and make recommendations regarding the impact of electric vehicle adoption on transportation funding. The Task Force must deliver a written report to the General Assembly and the Governor no later than December 31, 2022 (Section 142.1000).

#### ODOMETER READINGS

The bill increases, from 10 years to 20 years, the maximum age of a motor vehicle required to have its odometer readings recorded in certain circumstances (Sections 301.192.1(6) and 301.280.1). A corresponding change is made with regard to odometer fraud offenses (Sections 407.526 and 407.556.2(2)). The bill also specifies that the Department of Revenue may allow electronic signatures on written powers of attorney authorizing mileage disclosures and transfers of ownership (Section 407.536.8).

These provisions are subject to an emergency clause.

#### COMMERCIAL DRIVING LICENSE BANS FOR HUMAN TRAFFICKING CONVICTIONS

The bill enacts a lifetime ban from driving a commercial motor vehicle for any person convicted of using a commercial motor vehicle in the commission of a felony involving "severe forms of human trafficking in persons", as defined by federal law (Section 302.755.19).

These provisions are subject to an emergency clause.

PROPONENTS: Supporters say that the additional revenue created by the increase will go toward fixing crumbling roads, and thus create new jobs as well. A strong transportation system is vital for a thriving economy. It is time for Missouri to address our funding problem and begin building for the future.

Testifying for the bill were Senator Schatz; Andrea Sitzes, Show Me Christian County Economic Development; Edward Twehous, Twehous Excavating Company Inc; Missouri AFL-CIO; Farmer Companies; South Kansas City Chamber of Commerce; Economic Development Corporation of Kansas City, Mo; Norman Lucas; Randy, Missouri Concrete Association; Northland Regional Chamber of Commerce; City of Springfield; Missouri State Troopers Association; Springfield Area Chamber of Commerce; Associated Industries of Missouri; Missouri Transportation and Development Council; Sara Fields, Ozarks Transportation Organization; American Subcontractors Association; Greater St Louis Inc; Missouri Corn Growers Association; Missouri Farm Bureau; Brad Kinkeade, CRH Americas Materials; Site Improvement Association; Operating Engineers Local 513, 148, 101 ; Regional Strategies, American Concrete Paving Association; Missourians for Transportation Investment; Missouri State Council of Fire Fighters; American Council of Engineering Companies; Greater Kansas City Chamber of Commerce, Construction Employers Coalition; Missouri Asphalt Pavement Association; Municipal League of Metro St. Louis; Patrick McKenna, Missouri Department of Transportation; Missouri Municipal League; City of Columbia, Heavy Constructors Association of Greater Kansas City; Missouri Chamber of Commerce and Industry; Missouri Realtors; Scott T. Drury, Associated General Contractors of Missouri; Stephen Bubanovich, H.R. Quadri Conctrators, LLC; HNTB Corporation; Missouri Trucking Association; St. Charles County; Jason Zamkus, Silver Dollar City; and the Missouri Soybean Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say the repercussions of increasing the fuel tax will not be as beneficial as everyone believes.

Testifying on the bill was the Missouri Petroleum and Convenience Association.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.