

HCS HB 572 -- MOTOR FUEL TAX

SPONSOR: Hurlbert

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Corrections and Public Institutions by a vote of 12 to 2. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 7 to 3.

The following is a summary of the House Committee Substitute for HB 572.

Currently, the Department of Transportation must provide a report each year to the Governor and Lieutenant Governor. This bill requires the Department to include a summary of it's internal and external expenditures in the report.

For each fiscal year that the Department's internal expenditures, as defined in the bill, exceed 20% of its total expenditures, the bill requires that the Motor Fuel Tax be reduced by one-half cent per gallon the following fiscal year, but the tax may not be reduced more than \$.03 per gallon below the rate as of August 28, 2025.

In any fiscal year following a rate reduction, if the Department's internal expenditures are less than 20% of its total expenditures, Motor Fuel Tax will be increased by one-half cent per gallon or up to the rate as of August 28, 2025, whichever is less, in the following fiscal year.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill acts as a check on MoDOT's internal spending. The legislature can't directly control MoDOT's percentage of internal spending, but they can affect the gas tax. Guardrails are necessary to ensure a proper proportion of funding is going to important programmatic spending. This is the money that builds new roads, bridges, etc. Most likely, the gas tax will not be reduced, because MoDOT will stay in the acceptable range of internal spending.

Testifying in person for the bill were Representative Hurlbert and Arnie C. Dienoff.

OPPOSERS: Those who oppose the bill say that a reduction in the gas tax isn't just a penalty on MoDOT. Fifteen percent of the gas tax goes to municipalities and counties. This is harmful because

project costs are increasing, particularly asphalt and equipment and MoDOT operates efficiently now. Transportation is the underpinning of the economy and reducing the gas tax would erode the system.

Testifying in person against the bill were Missourians For Transportation Investment; Missouri Municipal League; Gary Jungermann, Callaway County Commission; and MO Chamber of Commerce & Industry.

OTHERS: Others testifying on the bill say this could cause unintended consequences. Internal expenditures are important, because the main reason MoDOT loses employees now is low wages. MoDOT funding is also matched four to one by federal funding on many spending projects.

Testifying in person on the bill was Eric Schroeter, MoDOT.

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