



MISSOURI HOUSE OF REPRESENTATIVES  
**WITNESS APPEARANCE FORM**

BILL NUMBER: <b>HB 1409</b>		DATE: <b>3/11/2025</b>	
COMMITTEE: <b>Transportation</b>			
<b>TESTIFYING:</b> <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES			
<b>WITNESS NAME</b>			
<b>INDIVIDUAL:</b>			
WITNESS NAME: <b>ARNIE C. AC "HONEST-ABE" DIENOFF - STATE PUBLIC AD</b>		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE:		SUBMIT DATE: <b>3/11/2025 12:00 AM</b>
<b>THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.</b>			



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<b>WITNESS NAME</b>			
<b>REGISTERED LOBBYIST:</b>			
WITNESS NAME: <b>JEFF GLENN</b>		PHONE NUMBER: <b>573-270-4053</b>	
REPRESENTING: <b>MISSOURIANS FOR TRANSPORTATION INVESTMENT</b>		TITLE: <b>EXECUTIVE DIRECTOR</b>	
ADDRESS: <b>P.O. BOX 772</b>			
CITY: <b>CAPE GIRARDEAU</b>		STATE: <b>MO</b>	ZIP: <b>63702</b>
EMAIL: <b>info@mfti.org</b>	ATTENDANCE: <b>In-Person</b>		SUBMIT DATE: <b>3/11/2025 2:20 PM</b>
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<b>WITNESS NAME</b>			
<b>BUSINESS/ORGANIZATION:</b>			
WITNESS NAME: <b>LUKE REED</b>		PHONE NUMBER: <b>573-300-1450</b>	
BUSINESS/ORGANIZATION NAME: <b>MISSOURI CHAMBER OF COMMERCE AND INDUSTRY</b>		TITLE:	
ADDRESS: <b>428 E CAPITOL AVE</b>			
CITY: <b>JEFFERSON CITY</b>		STATE: <b>MO</b>	ZIP: <b>65101</b>
EMAIL: <b>lreed@mochamber.com</b>	ATTENDANCE: <b>Written</b>		SUBMIT DATE: <b>3/11/2025 1:38 PM</b>

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The Missouri Chamber of Commerce and Industry opposes HB 1409. A reliable transportation system is critical to the continued success of businesses across Missouri and even this nation. This legislation could put this system at risk due to increased costs and project delays or even cancelations.



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<b>WITNESS NAME</b>			
<b>REGISTERED LOBBYIST:</b>			
WITNESS NAME: <b>PAT KELLY</b>		PHONE NUMBER: <b>314-726-4747</b>	
REPRESENTING: <b>MUNICIPAL LEAGUE OF METRO STL</b>		TITLE: <b>EXECUTIVE DIRECTOR</b>	
ADDRESS: <b>11911 DORSETT ROAD</b>			
CITY: <b>MARYLAND HEIGHTS</b>		STATE: <b>MO</b>	ZIP: <b>63043</b>
EMAIL: <b>pkelly@stlmuni.org</b>	ATTENDANCE: <b>Written</b>		SUBMIT DATE: <b>3/11/2025 11:48 AM</b>

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The Municipal League of Metro St. Louis is opposed HB 1409. The bill would limited the availability for munch needed highway, road and bridge projects throughout the state.



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<b>WITNESS NAME</b>			
<b>BUSINESS/ORGANIZATION:</b>			
WITNESS NAME: <b>RAY MCCARTY</b>		PHONE NUMBER: <b>573-634-2246</b>	
BUSINESS/ORGANIZATION NAME: <b>ASSOCIATED INDUSTRIES OF MISSOURI</b>		TITLE: <b>ASSOCIATED INDUSTRIES OF MISSOURI</b>	
ADDRESS: <b>3234 W TRUMAN BLVD</b>			
CITY: <b>JEFFERSON CITY</b>		STATE: <b>MO</b>	ZIP: <b>65109</b>
EMAIL: <b>rmccarty@aimo.com</b>	ATTENDANCE: <b>Written</b>		SUBMIT DATE: <b>3/11/2025 11:15 AM</b>
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The bill is unconstitutional. Changes to section 142.803 would require proceeds of fuel tax to be deposited in the "Motor Fuel Tax Fund of 2021" but Art. IV, Sec. 30(a) of the Missouri Constitution requires deposit of all fuel tax money in the County Aid Road Trust (CART) fund, distribution to cities, and deposit of the remainder in "the state road fund." Section 226.221 violates Art. IV, Sec. 30(b) of the Missouri Constitution in a similar way.



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<b>WITNESS NAME</b>			
<b>BUSINESS/ORGANIZATION:</b>			
WITNESS NAME: <b>RICHARD SHEETS</b>		PHONE NUMBER: <b>573-635-9134</b>	
BUSINESS/ORGANIZATION NAME: <b>MISSOURI MUNICIPAL LEAGUE</b>		TITLE: <b>EXECUTIVE DIRECTOR</b>	
ADDRESS: <b>1727 SOUTHRIDGE DRIVE</b>			
CITY: <b>JEFFERSON CITY</b>		STATE: <b>MO</b>	ZIP: <b>65109</b>
EMAIL: <b>rsheets@mocities.com</b>	ATTENDANCE: <b>Written</b>		SUBMIT DATE: <b>3/11/2025 1:17 PM</b>

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In an attempt to punish MoDoT this bill takes away city and county share of the motor fuel tax.  
Prescribed by this Missouri Constitution cities and counties each receive 15% of the state motor fuel tax. This bill would adversely impact local transportation projects.



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<b>WITNESS NAME</b>			
<b>BUSINESS/ORGANIZATION:</b>			
WITNESS NAME: <b>ED HASSINGER, P.E.</b>		PHONE NUMBER: <b>573-751-4622</b>	
BUSINESS/ORGANIZATION NAME: <b>MODOT</b>		TITLE: <b>MODOT DIRECTOR</b>	
ADDRESS: <b>PO BOX 270</b>			
CITY: <b>JEFFERSON CITY</b>		STATE: <b>MO</b>	ZIP: <b>65102</b>
EMAIL: <b>ed.hassinger@modot.mo.gov</b>	ATTENDANCE: <b>Written</b>		SUBMIT DATE: <b>3/11/2025 9:38 AM</b>
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House Transportation Committee. Missouri State Capitol, Tuesday, March 11, 2025. House Transportation Chair Rep. Hurlbert, Vice Chair Rep. Brown, and distinguished members of the committee: Testimony from MoDOT Director Ed Hassinger HB 1409 establishes new funds for depositing the S.B. 262 motor fuel tax and federal transportation revenues, requiring annual appropriation by the General Assembly. Commitments made to deliver projects programed in the Statewide Transportation Improvement Program (STIP) could be delayed or cancelled under the funding process proposed in this bill. It could result in having fewer contracts available for projects and delays could make the projects cost more. The Missouri Department of Transportation (MoDOT) under the direction of the Missouri Highways and Transportation Commission (Commission) has a record of successfully delivering on the road and bridge projects of the Governor and the General Assembly for the citizens of Missouri. Over the past ten years, MoDOT has completed 4,099 projects for a total cost of more than \$9.7 billion, which is 3.8 percent under budget and 93 percent completed on time. These projects focused on taking care of the system and included priorities that improved safety and reliability and spurred economic growth. With the passage of S.B. 262 in 2021, we are receiving additional revenues deposited in the State Road Fund beginning in Fiscal Year 2022. We are also receiving additional federal transportation funds through the 2021 reauthorization of the federal surface transportation act, the Infrastructure Investment and Jobs Act. The current FY 2025-2029 STIP is the largest program in Missouri history with nearly \$14.6 billion and more than 1,400 planned construction projects. Managing funding for transportation is a complex process with many moving pieces including the collection of revenues, distribution of those funds, and the reimbursement process to receive federal funds. Road and bridge projects commonly stretch over more than one state and federal fiscal year. This process already has to respond to potential uncertainty with federal funds with annual appropriations and continuing resolutions as well as the reauthorization of the federal transportation bill every few years. Changes to this overall process to get road and bridge projects under contract including additional approval steps to appropriate funds from multiple sources at the state level will add to the timeline and thus delay road and bridge projects. It is a federal requirement to develop an annual fiscally constrained STIP, which is planned out with forecasted revenues for five years. Over the five-year STIP, projects are fully programmed for the first three years and then year four and five only program 50% of estimated resources. It's done this way to be able to manage unforeseen issues that can occur. The STIP is updated annually across the state through a process involving regional planning partners including elected officials at the local level who prioritize and add projects into those later years. HB 1409 Impacts This proposal has two parts that impact transportation funding in Missouri. Proposed Sections 142.803 and 142.822 Motor Fuel Tax Fund of 2021 This proposal establishes the Motor Fuel Tax Fund of 2021 into which all proceeds of the S.B. 262 motor fuel tax

increase must be deposited. Any funds remaining in the account after all refunds have been paid may be appropriated for highway projects at the General Assembly's discretion. In July 2025, S.B. 262 will be fully implemented. At that point, the total annual revenues that could be redirected from the State Road Fund to the proposed Motor Fuel Tax Fund 2021 is estimated to be \$514 million. Proposed Sections 226.150, 226.200, and 226.201 Federal Road Fund The other part of this proposal will collect all federal funds normally deposited in the State Road Fund and place it in the new "Federal Road Fund" to receive all moneys and credits from the federal government intended for highway purposes. Under this proposal, this fund could only be expended upon appropriation by the General Assembly. For FY 2024, Missouri received \$1.4 billion in federal transportation funds for roads and bridges. This proposal creates an inefficient and uncertain process that call into question the reliability of federal transportation funds to the state, cities, or counties. Waiting for appropriations can also lead to increased risk for private-sector contractors concerned about timely payments for their work. It will restrict the ability to deliver projects. Missourians will not receive as many road and bridge projects each year. And we expect the projects received to be at a higher cost. Federal funds for highway projects are received by MoDOT on a reimbursement basis. Per federal law (Title 23 United States Code), all payments must be made in full by MoDOT or cities and counties before seeking federal reimbursement. The reimbursement typically covers 80% of the cost of the completed expenditure. Currently, money is expended from the State Road Fund and then 80% is returned to the State Road Fund once a federal reimbursement request is fulfilled as federal funds are made available. This ensures the State Road Fund remains solvent, and that funds are always available to make timely contractor payments. This bill would block reimbursement from returning to the State Road Fund, instead being diverted into the Federal Road Fund. This would impede MoDOT's ability to operate and deliver the STIP. Commitments made to deliver projects programed in the STIP could be delayed or cancelled under the funding process proposed in this bill. Subjecting these funds to the appropriations process hinders MoDOT's ability to estimate future revenue and plan for construction in future years. The following are some of the potential impacts to state and local transportation projects.

**Reduced Projects in STIP** The FY 2025-2029 STIP is estimated to be a \$2.1 billion per year investment into road and bridge projects on the State Highway System, or \$10.7 billion over the entire five-year STIP. This estimate assumes the receipt of all available federal and state transportation monies including those from S.B. 262. The monies expected to be in the State Road Fund generated from S.B. 262 and received from federal reimbursements have already been committed in the STIP. Diverting S.B. 262 proceeds or federal reimbursements will cause the projects to be delayed or cancelled if these monies cannot be relied upon to be available in the State Road Fund. This funding pays the private-sector contractors building these projects. Directing revenues into a separate fund appropriated by the General Assembly would also eliminate the ability of the Commission to develop a long-range plan or provide a predictable stream of funding to each region of the state. Without that five-year funding confidence, fewer projects will be able to be listed in the STIP. The proposed legislation could also greatly interrupt the planning process with the regional planning partners. Currently, local leaders are directly involved in the annual process to determine future unfunded needs and identify projects to move into the STIP. The planning for the future years would be greatly impacted without the reliability of knowing what may or may not be appropriated annually. Most projects in the STIP take multiple fiscal years to complete. Annual appropriations would cloud the availability of future funding of these projects. This also adds a new layer of risk that would have downstream effects on the price contractors bid to work on the highway system. Timing is another critical element to ensure the State Road Fund remains solvent. Relying on appropriations could jeopardize the ability for timely payments to be made to private-sector contractors and potentially could impact the ability to fund MoDOT payroll for employees that work directly on these projects. City and County Transportation Revenue The local program operates in a similar manner as MoDOT's capital program, where either a city or county pays for the construction work, then they seek federal reimbursement. Federal funding designated to cities and counties passes through MoDOT. This proposed provision would require federal monies designated for local public agencies to be diverted into the new Federal Road Fund. This could cause delays and require additional appropriations for these cities and counties to use this money. The local programs that receive federal funds, like the off-system bridge (BRO), would be impacted.

**Constitutionality** HB 1409 conflicts with Article IV, Section 30(a) of the Missouri Constitution which directs that all motor fuel taxes be deposited into the State Road Fund. This includes the motor fuel tax from S.B. 262 and the federal reimbursements from the federal motor fuel tax. The Missouri Constitution and state and federal laws determine how transportation funds are allocated to the state, cities, and counties.

**Potential Bond Rating Increases** This proposal could negatively affect the Commission's ability to bond. MoDOT currently has a 25-year record of clean audits and a AAA bond rating. As a result, when the Commission issues bonds for transportation projects in Missouri, we historically do so at very low rates and thus a great value to Missourians. Diverting federal funds from the State Road Fund would effectively reduce the revenue pledges made by the Commission in its bonding programs. This could



then negatively impact the Commission's credit ratings. It could lead to higher rates on future bonding attempts, yielding less proceeds that can be used on road and bridge construction projects. This proposal would have a devastating impact on MoDOT's ability to operate and deliver the STIP. Commitments made to deliver projects programed in the STIP could be delayed or cancelled under the funding process proposed in this bill. Thank you for the opportunity to provide this testimony today. Sincerely, Ed Hassinger, P.E. Director, Missouri Department of Transportation