

HCS HJR 97 -- FUEL TAX FOR MOTOR VEHICLES

SPONSOR: Reiboldt

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

Upon voter approval, this proposed Constitutional amendment 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 resolution has a delayed effective date of January 1, 2019 for the gas tax change.

This bill is similar to HB 2092 (2018).

PROPOSERS: 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 Reiboldt; City of Springfield; Kansas City Heavy Contractors; American Council Of Engineering Companies - Missouri; Site Construction Employees Coalition; Greater Kansas City Chamber of Commerce; Missouri Chamber of Commerce; Missouri Municipal League; Missouri Farm Bureau; Missouri Association of Counties; Missouri Concrete Association; Missouri/Kansas Concrete Pipe Association; AAA Auto Club of Missouri; Missouri Dump Truckers Association; Associated Industries of Missouri; Missouri Trucking Association; and the Missouri Limestone Producers Association.

OPPOSERS: 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 Petroleum Marketers and

Convenience Store Association.