

In the 2018 state legislative session, lawmakers passed House Bill 1460, which places a proposed increase in Missouri’s fuel tax on the November 2018 general election ballot. The ballot measure, known as Proposition D, would phase-in a 10 cent increase the state fuel tax over a four-year period, beginning on July 1, 2019.<sup>1</sup> Once fully implemented, Missouri’s fuel tax would increase from the current rate of 17 cents per gallon to 27 cents per gallon. The increase would be applied to gas, diesel and alternative fuels such as propane and natural gas.<sup>2</sup>

Once fully implemented, the fuel tax increase is expected to generate an additional \$420 million per year in the state’s motor fuel tax fund.<sup>3</sup> Funding in the motor fuel fund is divided between localities and the state, with 12% distributed to counties, 15% to cities and 73% to the state road fund.<sup>4</sup>

### Estimated Increase in Motor Fuel Revenue by Fiscal Year

*Amounts in Millions<sup>5</sup>*

Fiscal Year	State Road Fund	Local (City & County) Funds
2020	\$73.2	\$31.9
2021	\$146.4	\$63.9
2022	\$219.6	\$95.8

### Increased State Funding Would Support Highway Patrol

The state constitution currently directs a portion of the state road fund to support the Missouri Highway Patrol and their work to enforce traffic regulations and provide for the safety of motorists. In the 2018 state budget year, \$240 million of the state road fund was appropriated to the Missouri Highway Patrol.<sup>6</sup>

Proposition D would direct the state portion of the fuel tax increase to the Highway Patrol, subject to appropriations by lawmakers. The increase in funding for localities would be used to help support city and county road budgets, generating improvements to locally operated roadways and bridges.<sup>7,8</sup>

1. The increase would be implemented in 2.5 cent increments over four years
2. The full text of the ballot measure is available on the Missouri Secretary of State’s website, at: <https://www.sos.mo.gov/elections/petitions/2018BallotMeasures>
3. The estimate is based on calculations from the Missouri Office of Administration, Division of Budget and Planning, available in the official fiscal note for House Bill 1460, which can be viewed at the following link: <https://house.mo.gov/billtracking/bills181/fiscal/fispdf/4687-06T.ORG.pdf>
4. The distribution of motor fuel revenue is constitutionally required to be allocated between the state road fund, counties and cities.
5. The estimate is based on calculations from the Missouri Office of Administration, Division of Budget and Planning, available in the official fiscal note for House Bill 1460, which can be viewed at the following link: <https://house.mo.gov/billtracking/bills181/fiscal/fispdf/4687-06T.ORG.pdf>
6. See the Executive Budget for Fiscal Year 2019: <https://oa.mo.gov/budget-planning/budget-information/2019-budget-information/fiscal-year-2019-executive-budget>
7. Proposition D would also create the Olympic Dream Freedom Act, providing a state tax deduction for the value of prizes awarded at the Olympic, Paralympic and Special Olympic Games, and would create a new “Emergency State Freight Bottleneck Fund,” subject to appropriations.
8. For more on the State Road Fund, see the Missouri Department of Transportation, Citizen’s Guide at: <http://www.modot.org/guidetotransportation/#>