

Missouri (2014)

Title of Ballot Measure: Missouri Temporary Sales Tax Increase for Transportation

Type: House Joint Resolution 68/ Amendment 7

Sponsor of Legislation: Representatives Dave Hinson (R-119) and Dave Schatz (R-61)

Election Cycle: August 5, 2014

Status of Amendment: Failed.

ELECTION RESULTS	
FOR	40.82%
AGAINST	59.19%

Summary of Legislation: HJR 68 was introduced in the Missouri House of Representatives on January 22, 2014 by Representatives Dave Hinson (R-119) and Representative Dave Schatz (R-61). The measure proposed raising the state sales tax from 4.25 cents to 5 cents for a period of ten years to fund transportation projects throughout the state. The proposal would have generated a total \$5.4 billion in revenue during its duration, with \$480 million per year going toward state transportation improvements and \$54 million per year going toward local projects. The amendment would have prohibited fuel tax increases and tolls during this time and ensured that generated revenue would be used solely for transportation purposes.

Without this measure, officials at the Missouri Department of Transportation project their budget will drop from \$700 million to \$325 million by 2017, well below what is needed to maintain and improve the state's roads and bridges. It would have been the first statewide tax increase since 1993, as well as the first tax increase for road funding since 1992.

HJR 68 passed the House on April 9, 2014 96-53 and was sent to the Senate. A substitute bill lowering the originally-proposed 1-cent sales tax increase to .75-cents— as well as prohibiting state and local tolls on roads or bridges during the proposed amendment's duration— was introduced and approved by the Senate 22-10 on April 29, before being returned back to the House where it was approved for the ballot on May 14 105-43.

Ballot Language:

Should the Missouri Constitution be changed to enact a temporary sales tax of three-quarters of one percent to be used solely to fund state and local highways, roads, bridges and transportation projects for ten years, with priority given to repairing unsafe roads and bridges?

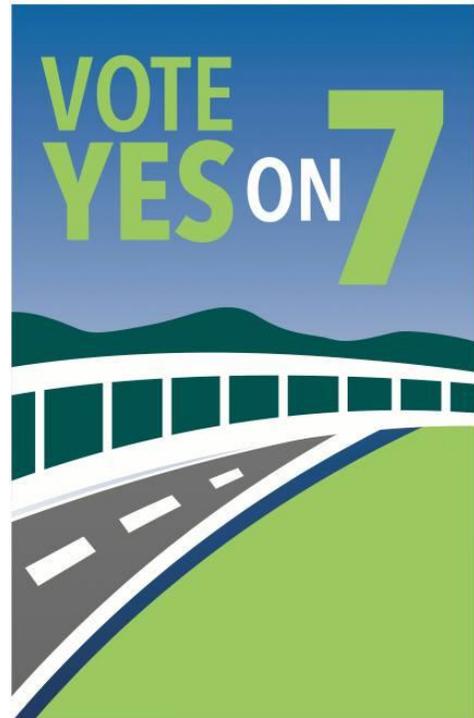
This change is expected to produce \$480 million annually to the state's Transportation Safety and Job Creation Fund and \$54 million for local governments. Increases in the gas tax will be prohibited. This revenue shall only be used for transportation purposes and cannot be diverted for other uses.

Support

- Main Proponents of HJR 68/Amendment 7:
 - Representative Dave Hinson (R-119)
 - Representative Dave Schatz (R-61)
 - Senator Mike Kehoe (R-6)
 - Mayor Francis Slay, St. Louis
 - Missourians for Safe Transportation and New Jobs: ["Vote Yes to Amendment 7"](#) Campaign
 - Missouri Department of Transportation
 - Missouri Chamber of Commerce and Industry
 - Missouri State Troopers
 - The Missouri Bicycle and Pedestrian Federation
 - Missouri Transportation PAC
 - Consulting Engineers Council Of Missouri

- Supporters Say: Proponents of Amendment 7 argued that the need for transportation infrastructure funding is critical, with 25% of the state's 30,560 miles of roadway eligible for federal aid rated "not acceptable" and in need major repairs or replacement. The state also has over 24,000 bridges, 30 percent of which are either "structurally deficient" or "functionally obsolete"ⁱ, 800 which will have to close in 2-3 years unless repairs can be madeⁱⁱ. The Blue Ribbon Citizens Committee on Missouri's Transportation Needs, created by the Missouri House of Representatives in 2012 to study the state's infrastructure, found that an addition \$600 million to \$1 billion is needed to address transportation issues.ⁱⁱⁱ Supporters also pointed out that the increase in road and bridge construction will create more jobs within the state and invigorate the economy.

Ad for "Vote Yes on Amendment 7" Campaign



Paid for by Missourians for Safe Transportation and New Jobs, Inc., Bill McKenna, Treasurer P.O. Box 1933, Jefferson City, MO 65102

Proponents of the ballot measure launched the "Yes on Amendment 7" campaign on June 24. Lead by "Missourians for Safe Transportation and New Jobs"— and with the support of dozens of organizations throughout

Missouri, including the state Chamber of Commerce, unions, and transportation construction companies— the group raised more than \$4.1 million^{iv} to advocate for the state transportation sales tax increase. Ads created for the “Yes on Amendment 7” campaign are available [here](#).

In addition to the campaign being run by “Missourians for Safe Transportation and New Jobs” and supporters, the Missouri Department of Transportation released an updated list of projects that would be possible if the transportation sales tax increase is approved by voters. View the project list [here](#).

Ads For “Vote Yes On Amendment 7”:



Opposition

- Main Opponents of HJR 68/Amendment 7:
 - Governor Jay Nixon (D)
 - Representative Stephen Webber (D-46)
 - Missourians For Better Transportation Solutions: “[Vote No on Amendment 7](#)” Campaign
 - Missouri Association for Social Welfare
 - Joseph Miller, Policy Researcher with the Show-Me Institute^v
- Opponents Say: Several concerns were raised during the lead-up to the election. Opponents stated that sales taxes are regressive because low-income households pay a larger share of their income in sales taxes than do higher-income households. Taxing daily necessities, which do not account for road usage, would be an unfair burden. Additionally, Missouri’s roads accommodate high volumes of out-of-state truck traffic, and at least some residents took issue with the fact that the ballot measure did not account for wear and tear on the roads by those who use them.^{vi} Some opponents also objected to the priority placed on state roads over local roads and transit.^{vii}

Opposition to the ballot measure was led by “Missourians for Better Transportation Solutions”, an organization that introduced the “Vote No on Amendment 7” campaign to discourage voters from approving the transportation sales tax increase. View the ad created for “Vote No on Amendment 7” [here](#).

After approval by the Legislature, Missouri Governor Jay Nixon (D) May 23 moved the measure up from the November 4, 2014 ballot to the August 5, 2014 ballot. In a written statement Nixon said, “This tax hike is neither a fair nor fiscally responsible solution to our transportation infrastructure needs, and it does not have my support.”^{viii}

On June 12, 2014 a lawsuit against the measure was filed by the Missouri Association for Social Welfare, claiming that the ballot language was misleading to voters, and that the cost estimate was inadequate. The lawsuit was dismissed by Missouri 19th Judicial Circuit Court Judge Jon Beetem on July 1, 2014 and the ballot language was ruled fair and sufficient.

Vote No on Amendment 7 image.



Ad for "Vote No On Amendment 7"

**\$6.1 BILLION SALES TAX HIKE
WILL HARM MISSOURIANS**

Vote **NO** on
Amendment **7**

RECORD-BREAKING TAX INCREASE

The nearly 18% increase in the state sales tax will push the total sales tax to nearly 11½% in some areas. Amendment 7 proposes the largest tax increase in the state's history.

UNFAIR TAXATION

Trucks passing through Missouri - 55% of the traffic - will not pay any more tax although they cause most of the road damage. Amendment 7 makes middle- and low-income people pay the biggest share.

WRONG PRIORITY

Missourians will already pay tens of billions of dollars for roads over the next 10 years. But the state will fall short funding public schools, colleges, universities, health care, public safety and the criminal justice system.

votenoamendment7.com

Paid for by Missourians for Better Transportation Solutions. Thomas R. Shrout, Jr., Treasurer

Why Did This Bill Fail?

- *Short timeframe to mobilize grassroots campaign.*^{ix}

Jewell Patek, spokesman for Missourians for Safe Transportation and New Jobs, attributed lack of time to mobilize support for the amendment as one of the contributing factors^x in the defeat of the measure.

- *Lack of support from Governor.*

As a constitutional amendment, Amendment 7 bypassed the Governor's ability to endorse or veto the measure. By moving the amendment forward to an earlier ballot and vocally dissenting with the measure, Gov. Nixon was able to demonstrate strong opposition to Amendment 7. As found in *Lessons Learned: Campaign "Best Practices"*^{xi}, a common characteristic with unsuccessful transportation funding initiatives is a governor who is neutral or opposed to the proposal.

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ⁱ 2013 State Bridge Rankings: <http://www.slideshare.net/artba/state-bridge-rankings>

ⁱⁱ Fix Missouri Roads. <http://www.fixmoroads.com/>

ⁱⁱⁱ “The Blue Ribbon Citizens Committee on Missouri’s Transportation Needs: Final Report”, December 2012.
http://www.house.mo.gov/billtracking/info/BRC_Report.pdf

^{iv} Missouri Ethics Committee 08/05/2014 Active Ballot Measure Search.
http://www.mec.mo.gov/EthicsWeb/CampaignFinance/CF12_BallotSearch.aspx

^v “Highway Robbery: Missouri Senate Passes Sales Tax Hike For Transportation”, May 1 2014.
<http://www.showmedaily.org/2014/05/highway-robbery-missouri-senate-passes-sales-tax-hike-for-transportation.html>

^{vi} “Why did transportation sales tax fail?”, August 10 2014. <http://www.newstribune.com/news/2014/aug/10/why-did-transportation-sales-tax-fail/>

^{vii} “Missouri Says No to Amendment 7’s Monster Tax Hike for Roads”, August 6 2014.
<http://usa.streetsblog.org/2014/08/06/missouri-says-no-to-amendment-7s-monster-tax-hike-for-roads/>

^{viii} “Gov. Nixon issues statement on transportation tax”, June 2 2014. <https://governor.mo.gov/news/archive/gov-nixon-issues-statement-transportation-tax>

^{ix} “Analysis: Timing of elections can have political, legal effects for Missouri ballot measures”, July 6 2014.
<https://archive.today/DyVBE>

^x “Why did transportation sales tax fail?”, August 10 2014. <http://www.newstribune.com/news/2014/aug/10/why-did-transportation-sales-tax-fail/>

^{xi} Lessons Learned: Campaign “Best Practices”. <http://www.transportationinvestment.org/wp-content/uploads/2014/01/Best-Practices.pdf>