

SECOND REGULAR SESSION

# SENATE BILL NO. 970

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KEHOE.

Read 1st time February 27, 2014, and ordered printed.

TERRY L. SPIELER, Secretary.

6273S.011

## AN ACT

To repeal sections 142.803 and 142.869, RSMo, and to enact in lieu thereof two new sections relating to natural gas motor fuel, with an existing penalty provision.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 142.803 and 142.869, RSMo, are repealed and two  
2 new sections enacted in lieu thereof, to be known as sections 142.803 and  
3 142.869, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or  
2 consumed in this state as follows:

3 (1) Motor fuel, seventeen cents per gallon;

4 (2) Alternative fuels, not subject to the decal fees as provided in section  
5 142.869, with a power potential equivalent of motor fuel. In the event alternative  
6 fuel, which is not commonly sold or measured by the gallon, is used in motor  
7 vehicles on the highways of this state, the director is authorized to assess and  
8 collect a tax upon such alternative fuel measured by the nearest power potential  
9 equivalent to that of one gallon of regular grade gasoline. The determination by  
10 the director of the power potential equivalent of such alternative fuel shall be  
11 prima facie correct;

12 (3) Aviation fuel used in propelling aircraft with reciprocating engines,  
13 nine cents per gallon as levied and imposed by section 155.080 to be collected as  
14 required under this chapter;

15 (4) **Compressed natural gas fuel, five cents per gasoline gallon**  
16 **equivalent until December 31, 2019, ten cents per gasoline gallon**  
17 **equivalent from January 1, 2020 until December 31, 2024, and then**  
18 **fifteen cents per gasoline gallon equivalent thereafter. A gasoline**

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 gallon equivalent of compressed natural gas shall be equal to five and  
20 sixty-six-hundredths pounds or one hundred twenty-six and sixty-seven-  
21 hundredths cubic feet of compressed natural gas, measured at fourteen  
22 and seven-tenths pounds per square inch and at a temperature of sixty  
23 degrees Fahrenheit. The method of sale for compressed natural gas  
24 used as transportation fuel shall be gasoline gallon equivalents;

25 (5) Liquefied natural gas fuel, five cents per diesel gallon  
26 equivalent until December 31, 2019, eleven cents per diesel gallon  
27 equivalent from January 1, 2020 until December 31, 2024, and then  
28 seventeen cents per diesel gallon equivalent thereafter. A diesel gallon  
29 equivalent of liquefied natural gas shall be equal to six and six-  
30 hundredths pounds of liquefied natural gas. The method of sale for  
31 liquefied natural gas used as transportation fuel shall be diesel gallon  
32 equivalents.

33 2. All taxes, surcharges and fees are imposed upon the ultimate consumer,  
34 but are to be precollected as described in this chapter, for the facility and  
35 convenience of the consumer. The levy and assessment on other persons as  
36 specified in this chapter shall be as agents of this state for the precollection of the  
37 tax.

142.869. 1. The tax imposed by this chapter shall not apply to passenger  
2 motor vehicles, buses as defined in section 301.010, or commercial motor vehicles  
3 registered in this state which are powered by alternative fuel, and for which a  
4 valid decal has been acquired as provided in this section, **provided that sales**  
5 **made to alternative fueled vehicles powered by compressed natural gas**  
6 **and liquefied natural gas shall be taxed exclusively pursuant to**  
7 **subdivisions (4) and (5) of subsection 1 of section 142.803,**  
8 **respectively.** The owners or operators of such motor vehicles shall, in lieu of  
9 the tax imposed by section 142.803, pay an annual alternative fuel decal fee as  
10 follows: seventy-five dollars on each passenger motor vehicle, school bus as  
11 defined in section 301.010, and commercial motor vehicle with a licensed gross  
12 vehicle weight of eighteen thousand pounds or less; one hundred dollars on each  
13 motor vehicle with a licensed gross weight in excess of eighteen thousand pounds  
14 but not more than thirty-six thousand pounds used for farm or farming  
15 transportation operations and registered with a license plate designated with the  
16 letter "F"; one hundred fifty dollars on each motor vehicle with a licensed gross  
17 vehicle weight in excess of eighteen thousand pounds but less than or equal to

18 thirty-six thousand pounds, and each passenger-carrying motor vehicle subject to  
19 the registration fee provided in sections 301.059, 301.061 and 301.063; two  
20 hundred fifty dollars on each motor vehicle with a licensed gross weight in excess  
21 of thirty-six thousand pounds used for farm or farming transportation operations  
22 and registered with a license plate designated with the letter "F"; and one  
23 thousand dollars on each motor vehicle with a licensed gross vehicle weight in  
24 excess of thirty-six thousand pounds. Notwithstanding provisions of this section  
25 to the contrary, motor vehicles licensed as historic under section 301.131 which  
26 are powered by alternative fuel shall be exempt from both the tax imposed by this  
27 chapter and the alternative fuel decal requirements of this section.

28         2. Except interstate fuel users and vehicles licensed under a reciprocity  
29 agreement as defined in section 142.617, the tax imposed by section 142.803 shall  
30 not apply to motor vehicles registered outside this state which are powered by  
31 alternative fuel **other than compressed natural gas and liquefied natural**  
32 **gas**, and for which a valid temporary alternative fuel decal has been acquired as  
33 provided in this section. The owners or operators of such motor vehicles shall, in  
34 lieu of the tax imposed by section 142.803, pay a temporary alternative fuel decal  
35 fee of eight dollars on each such vehicle. Such decals shall be valid for a period  
36 of fifteen days from the date of issuance and shall be attached to the lower  
37 right-hand corner of the front windshield on the motor vehicle for which it was  
38 issued. Such decal and fee shall not be transferable. All proceeds from such  
39 decal fees shall be deposited as specified in section 142.345. Alternative fuel  
40 dealers selling such decals in accordance with rules and regulations prescribed  
41 by the director shall be allowed to retain fifty cents for each decal fee timely  
42 remitted to the director.

43         3. The director shall annually, on or before January thirty-first of each  
44 year, collect or cause to be collected from owners or operators of the motor  
45 vehicles specified in subsection 1 of this section the annual decal  
46 fee. Applications for such decals shall be supplied by the department of revenue.  
47 In the case of a motor vehicle which is not in operation by January thirty-first of  
48 any year, a decal may be purchased for a fractional period of such year, and the  
49 amount of the decal fee shall be reduced by one-twelfth for each complete month  
50 which shall have elapsed since the beginning of such year.

51         4. Upon the payment of the fee required by subsection 1 of this section,  
52 the director shall issue a decal, which shall be valid for the current calendar year  
53 and shall be attached to the lower right-hand corner of the front windshield on

54 the motor vehicle for which it was issued.

55           5. The decal fee paid pursuant to subsection 1 of this section for each  
56 motor vehicle shall be transferable upon a change of ownership of the motor  
57 vehicle and, if the LP gas or natural gas equipment is removed from a motor  
58 vehicle upon a change of ownership and is reinstalled in another motor vehicle,  
59 upon such reinstallation. Such transfers shall be accomplished in accordance  
60 with rules and regulations promulgated by the director.

61           6. It shall be unlawful for any person to operate a motor vehicle required  
62 to have an alternative fuel decal upon the highways of this state without a valid  
63 decal.

64           7. No person shall cause to be put, or put, LP gas [or natural gas] into the  
65 fuel supply receptacle of a motor vehicle required to have an alternative fuel  
66 decal unless the motor vehicle has a valid decal attached to it. Sales of fuel  
67 placed in the supply receptacle of a motor vehicle displaying such decal shall be  
68 recorded upon an invoice, which invoice shall include the decal number, the motor  
69 vehicle license number and the number of gallons placed in such supply  
70 receptacle.

71           8. Any person violating any provision of this section is guilty of an  
72 infraction and shall, upon conviction thereof, be fined five hundred dollars.

73           9. Motor vehicles displaying a valid alternative fuel decal are exempt from  
74 the licensing and reporting requirements of this chapter.

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