

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 2148**  
**99TH GENERAL ASSEMBLY**

5823H.02C

D. ADAM CRUMBLISS, Chief Clerk

---

---

**AN ACT**

To repeal sections 142.803 and 142.869, RSMo, and to enact in lieu thereof two new sections relating to motor fuel taxes, with a referendum clause for certain sections and a delayed effective date for certain sections.

---

---

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Section A. Sections 142.803 and 142.869, RSMo, are repealed and two new sections  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

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

3 (1) Motor fuel, seventeen cents per gallon **until January 1, 2019. On January 1, 2019,**  
4 **and the following two January firsts, the motor fuel tax shall increase by two cents per**  
5 **gallon until it equals twenty-three cents per gallon;**

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

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

15 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until  
16 December 31, 2019, ~~eleven~~ **fourteen** cents per gasoline gallon equivalent from January 1,  
17 2020, until December 31, 2024, and then ~~seventeen~~ **twenty-three** cents per gasoline gallon

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 equivalent thereafter. The gasoline gallon equivalent and method of sale for compressed natural  
19 gas shall be as published by the National Institute of Standards and Technology in Handbooks  
20 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or  
21 agreement, the gasoline gallon equivalent and method of sale for compressed natural gas shall  
22 be equal to five and sixty-six-hundredths pounds of compressed natural gas. All applicable  
23 provisions contained in this chapter governing administration, collections, and enforcement of  
24 the state motor fuel tax shall apply to the tax imposed on compressed natural gas, including but  
25 not limited to licensing, reporting, penalties, and interest;

26 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31,  
27 2019, ~~eleven~~ **fourteen** cents per diesel gallon equivalent from January 1, 2020, until December  
28 31, 2024, and then ~~seventeen~~ **twenty-three** cents per diesel gallon equivalent thereafter. The  
29 diesel gallon equivalent and method of sale for liquefied natural gas shall be as published by the  
30 National Institute of Standards and Technology in Handbooks 44 and 130, and supplements  
31 thereto or revisions thereof. In the absence of such standard or agreement, the diesel gallon  
32 equivalent and method of sale for liquefied natural gas shall be equal to six and six-hundredths  
33 pounds of liquefied natural gas. All applicable provisions contained in this chapter governing  
34 administration, collections, and enforcement of the state motor fuel tax shall apply to the tax  
35 imposed on liquefied natural gas, including but not limited to licensing, reporting, penalties, and  
36 interest;

37 (6) Propane gas fuel, five cents per gallon until December 31, 2019, ~~eleven~~ **fourteen**  
38 cents per gallon from January 1, 2020, until December 31, 2024, and then ~~seventeen~~ **twenty-**  
39 **three** cents per gallon thereafter. All applicable provisions contained in this chapter governing  
40 administration, collection, and enforcement of the state motor fuel tax shall apply to the tax  
41 imposed on propane gas including, but not limited to, licensing, reporting, penalties, and interest;

42 (7) If a natural gas, compressed natural gas, liquefied natural gas, electric, or propane  
43 connection is used for fueling motor vehicles and for another use, such as heating, the tax  
44 imposed by this section shall apply to the entire amount of natural gas, compressed natural gas,  
45 liquefied natural gas, electricity, or propane used unless an approved separate metering and  
46 accounting system is in place.

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

142.869. 1. The tax imposed by this chapter shall not apply to passenger motor vehicles,  
2 buses as defined in section 301.010, or commercial motor vehicles registered in this state which  
3 are powered by alternative fuel, and for which a valid decal has been acquired as provided in this

4 section, provided that sales made to alternative fueled vehicles powered by propane, compressed  
5 natural gas, or liquefied natural gas that do not meet the requirements of subsection 3 of this  
6 section shall be taxed exclusively pursuant to subdivisions (4) to (7) of subsection 1 of section  
7 142.803, respectively. The owners or operators of such motor vehicles, except plug-in electric  
8 hybrids, shall, in lieu of the tax imposed by section 142.803, pay an annual alternative fuel decal  
9 fee as follows: ~~seventy-five~~ **one hundred eighty-five** dollars on each passenger motor vehicle,  
10 school bus as defined in section 301.010, and commercial motor vehicle with a licensed gross  
11 vehicle weight of eighteen thousand pounds or less; ~~one~~ **two** hundred **fifty** dollars on each  
12 motor vehicle with a licensed gross weight in excess of eighteen thousand pounds but not more  
13 than thirty-six thousand pounds used for farm or farming transportation operations and registered  
14 with a license plate designated with the letter “F”; ~~one~~ **three** hundred ~~fifty~~ **seventy-five**  
15 dollars on each motor vehicle with a licensed gross vehicle weight in excess of eighteen thousand  
16 pounds but less than or equal to thirty-six thousand pounds, and each passenger-carrying motor  
17 vehicle subject to the registration fee provided in sections 301.059, 301.061 and 301.063; ~~two~~  
18 **six** hundred ~~fifty~~ **twenty-five** dollars on each motor vehicle with a licensed gross weight in  
19 excess of thirty-six thousand pounds used for farm or farming transportation operations and  
20 registered with a license plate designated with the letter “F”; and ~~one~~ **two** thousand **five**  
21 **hundred** dollars on each motor vehicle with a licensed gross vehicle weight in excess of  
22 thirty-six thousand pounds. Owners or operators of plug-in electric hybrids shall pay one-half  
23 of the stated annual alternative fuel decal fee. Notwithstanding provisions of this section to the  
24 contrary, motor vehicles licensed as historic under section 301.131 which are powered by  
25 alternative fuel shall be exempt from both the tax imposed by this chapter and the alternative fuel  
26 decal requirements of this section. For the purposes of this section, a plug-in electric hybrid shall  
27 be any hybrid vehicle made by a manufacturer with a model year of 2018 or newer, that has not  
28 been modified from the original manufacturer specifications, with an internal combustion engine  
29 and batteries that can be recharged by connecting a plug to an electric power source.

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

40 142.345. Alternative fuel dealers selling such decals in accordance with rules and regulations  
41 prescribed by the director shall be allowed to retain fifty cents for each decal fee timely remitted  
42 to the director.

43 3. Owners or operators of passenger motor vehicles, buses as defined in section 301.010,  
44 or commercial motor vehicles registered in this state which are powered by compressed natural  
45 gas or liquefied natural gas who have installed a compressed natural gas fueling station or  
46 liquefied natural gas fueling station used solely to fuel the motor vehicles they own or operate  
47 as of December 31, 2015, may continue to apply for and use the alternative fuel decal in lieu of  
48 paying the tax imposed under subdivisions (4) and (5) of subsection 1 of section 142.803.  
49 Owners or operators of compressed natural gas fueling stations or liquefied natural gas fueling  
50 stations whose vehicles bear an alternative fuel decal shall be prohibited from selling or  
51 providing compressed natural gas or liquefied natural gas to any motor vehicle they do not own  
52 or operate. Owners or operators of motor vehicles powered by compressed natural gas or  
53 liquefied natural gas bearing an alternative fuel decal after January 1, 2016, that decline to renew  
54 the alternative fuel decals for such motor vehicles shall no longer be eligible to apply for and use  
55 alternative fuel decals under this subsection. Any compressed natural gas or liquefied natural  
56 gas obtained at any fueling station not owned by the owner or operator of the motor vehicle  
57 bearing an alternative fuel decal shall be subject to the tax under subdivisions (4) and (5) of  
58 subsection 1 of section 142.803.

59 4. An owner or operator of a motor vehicle powered by propane may continue to apply  
60 for and use the alternative fuel decal in lieu of paying the tax imposed under subdivision (6) of  
61 subsection 1 of section 142.803. If the appropriate motor fuel tax under subdivision (6) of  
62 subsection 1 of section 142.803 is collected at the time of fueling, an operator of a propane  
63 fueling station that uses quick-connect fueling nozzles may sell propane as a motor fuel without  
64 verifying the application of a valid Missouri alternative fuel decal. If an owner or operator of  
65 a motor vehicle powered by propane that bears an alternative fuel decal refuels at an unattended  
66 propane refueling station, such owner or operator shall not be eligible for a refund of the motor  
67 fuel tax paid at such refueling.

68 5. The director shall annually, on or before January thirty-first of each year, collect or  
69 cause to be collected from owners or operators of the motor vehicles specified in subsection 1  
70 of this section the annual decal fee. Applications for such decals shall be supplied by the  
71 department of revenue. In the case of a motor vehicle which is not in operation by January  
72 thirty-first of any year, a decal may be purchased for a fractional period of such year, and the  
73 amount of the decal fee shall be reduced by one-twelfth for each complete month which shall  
74 have elapsed since the beginning of such year. This subsection shall not apply to an owner or

75 operator of a motor vehicle powered by propane who fuels such vehicle exclusively at  
76 unattended fueling stations that collect the motor fuel tax.

77           6. Upon the payment of the fee required by subsection 1 of this section, the director shall  
78 issue a decal, which shall be valid for the current calendar year and shall be attached to the lower  
79 right-hand corner of the front windshield on the motor vehicle for which it was issued.

80           7. The decal fee paid pursuant to subsection 1 of this section for each motor vehicle shall  
81 be transferable upon a change of ownership of the motor vehicle and, if the LP gas or natural gas  
82 equipment is removed from a motor vehicle upon a change of ownership and is reinstalled in  
83 another motor vehicle, upon such reinstallation. Such transfers shall be accomplished in  
84 accordance with rules and regulations promulgated by the director.

85           8. It shall be unlawful for any person to operate a motor vehicle required to have an  
86 alternative fuel decal upon the highways of this state without a valid decal unless the motor  
87 vehicle is exclusively fueled at propane, compressed natural gas, or liquefied natural gas fueling  
88 stations that collect the motor fuel tax.

89           9. No person shall cause to be put, or put, any alternative fuel into the fuel supply  
90 receptacle or battery of a motor vehicle required to have an alternative fuel decal unless the  
91 motor vehicle either has a valid decal attached to it or the appropriate motor fuel tax is collected  
92 at the time of such fueling.

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

95           11. Motor vehicles displaying a valid alternative fuel decal are exempt from the licensing  
96 and reporting requirements of this chapter.

          Section B. Section 142.803 of this act is hereby submitted to the qualified voters of this  
2 state for approval or rejection at an election, which is hereby ordered and which shall be held and  
3 conducted on the Tuesday immediately following the first Monday in November, 2018, or at a  
4 special election to be called by the governor for that purpose, pursuant to the laws and  
5 constitutional provisions of this state applicable to general elections and the submission of  
6 referendum measures by initiative petition, and it shall become effective when approved by a  
7 majority of the votes cast thereon at such election and not otherwise.

          Section C. The repeal and reenactment of section 142.869 of this act shall become  
2 effective on January 1, 2019.

✓