



The Heavy Constructors Association of The Greater Kansas City Area

OPPOSITION TESTIMONY

HB 2427

An Act concerning taxation; relating to motor vehicle fuel taxes, rates, permits, refunds and distribution of; sales and compensating tax, distribution.

House Taxation Committee

May 5, 2015

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Chairman KleeB and Members of the Committee:

Thank you for the opportunity to provide comments on HB 2427, the nickel a gallon increase in the motor fuels tax.

My name is Ed DeSoignie and I am the executive director of The Heavy Constructors Association of the Greater Kansas City Area, which was founded in 1950. It is a chapter of the Associated General Contractors of America and the American Road and Transportation Builders Association. Our membership is comprised of general contractors in the field of highway, bridge and municipal utility construction. Our association straddles the Kansas City Metro Area encompassing five counties in Missouri and Johnson and Wyandotte Counties in Kansas.

In 2009 and 2010 we worked closely with the Legislature and Governor's administration in developing a ten-year comprehensive transportation plan. The T-WORKS plan was developed and supported by all 105 counties, local chambers of commerce, communities, businesses and residents. And furthermore, the plan was fully funded through a combination of existing and new revenue streams earmarked for transportation. Since that time, we have seen massive diversions of funding to non-highway expenditures of the State and an erosion of existing transportation funding sources.

HB 2427 would increase the motor fuels tax by .05 cents per gallon for a period of three years and at the same time reduce the previously-adopted sales tax funding earmarked for transportation.

The Heavy Constructors cannot and will not support an increase in motor fuels taxes that does not maintain existing funding sources for transportation or otherwise enhance KDOT's ability to help bring the T-WORKS program back on schedule. The State has seen far too much revenue diverted from our state transportation system and HB 2427 is yet another step in the wrong direction.

Recently a statewide poll of likely voters was released that confirmed the importance of transportation funding. More than 2/3 of those sampled either strongly or somewhat strongly opposed the diversion of more than \$2 billion in highway funding during the past five years.



In the past 25 years, the State has adopted three major transportation programs: 1989, 1999 and 2010. If the Legislature continues down this path of overcharging its Bank of KDOT credit card without making any repayments, the public will not stand for any future substantial investments in transportation infrastructure.

In closing, we would support HB 2427 if the funds raised were used to offset past diversions of transportation funding. However, we cannot support an additional burden on transportation users that simply allows for further raids on KDOT funds to pay for non-transportation obligations of the State incurred through a tax policy that has yet to live up to the promises and predictions of those who supported it in the first place.

Thank you.

Ed DeSoignie

A handwritten signature in black ink, appearing to read "Ed DeSoignie", with a stylized flourish extending from the end.