



MISSOURI SENATE

JEFFERSON CITY

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Initiative for Economic Growth — Fixing Missouri's Roads and Bridges

Sen. Loudon's Proposal Raises Revenues for MoDOT without Hiking Taxes

JEFFERSON CITY – Sen. John Loudon, R-Chesterfield, is proposing a bold new initiative to increase state money to Missouri's Department of Transportation that doesn't reach into the wallets of Missouri's taxpayers. His plan would raise the amount of revenue going to the department by 10 percent of whatever the growth from the base year of 2008 in state revenues is each year.

"MoDOT's funding falls off a cliff in the next couple of years... from more than \$1.2 billion a year to fix our roads and bridges to only about \$569 million annually," said Sen. Loudon. "We have to find a way to get the money to make the investment into our critical infrastructure so we can continue to grow our economy to have the money to spend on this state's priorities: taking care of our very oldest and very youngest, enforcing the laws of the land, and educating our youth. My proposal will do just that without taking any more out of the pockets of our hard-working taxpayers."

Under Sen. Loudon's proposal, (SJR 43) 10 percent of the growth in the state's general revenue fund each year from the base year of 2008 would be dedicated to transportation. If this constitutional amendment is approved by the voters, the share of general revenue going to MoDOT would gradually increase from one percent of general revenue to only six percent by 2030. In Fiscal Year 2010, the proposal would raise \$36 million. In just four years (FY 2013), \$157 million will be raised, an amount equal to the Amendment 3 revenue stream — a \$1 billion proposal that has already smoothed out more than 2,200 miles of the state's busiest roads and made them safer for everyone. At its maturity in FY 2030, Sen. Loudon's plan would produce \$1.3 billion, at just six percent of general revenue — all of this without raising taxes one cent.

The investment into Missouri's infrastructure would create jobs, raise revenues, and save lives. According to the Federal Highway Administration, every \$1 billion invested into transportation creates about 42,100 jobs. New roads would encourage more companies to locate and expand in Missouri, increasing the tax-paying workforce, and thus, increasing state revenues. Under this proposal, the money going to MoDOT would end up generating \$900 million a year in extra general revenue back to the state in 2030, mostly paying for itself. Improved transportation infrastructure would help ensure the safety of Missouri's citizens, whether they are headed to work, home, or play. For example, MoDOT estimates that the 500 miles of guard cable recently installed along Missouri's interstate system will save between 50 and 100 lives each year over the next two years.

"This is more than just a road initiative," said Sen. Loudon. "This is about jobs and economic growth. In a time when many workers are uncertain about their job future it is important to invest in the state's economy to create jobs and attract business."

"I encourage my colleagues in the State Senate and House to get behind this measure so we can send it to a vote of the people to increase the investment we need to make in our transportation infrastructure while not increasing taxes one penny."

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