Missouri Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• The real property tax rate may not exceed $0.35 per $100 of value if the county has a total assessed value of at least $300 million and has attained first-class status or $0.50 per $100 of value if it does not meet these criteria. A county may set a tax rate above these limits only if it has the approval of two-thirds of qualified voters in a special election or if it is specifically authorized by state law to do so for special purposes including the maintenance of roads and bridges.

• Counties do not have the authority to levy general sales or use taxes. However, some counties have the authority to impose various special purpose sales taxes if qualified voters approve the taxes in special elections. The various purposes include: capital improvements, transportation, property tax relief, tourism, parks and recreational areas, storm water control, emergency services, and economic development.

• Motor vehicles are subject to ad valorem personal property taxes.

• The county commission is charged with the care and control of county highways, the commission may make an annual levy or issue bonds to construct, improve, enlarge, maintain, and operate county roads

• Charter counties may additionally operate parking facilities in the county. The county may finance these facilities by issuing revenue bonds if the parking area is a pay facility, general obligation bonds, or by appropriating general revenue funds

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• Total state gas tax is set at 17 cents, and is expected to bring $680 million in FY2013.

• For FY2013, County Aid Road Trust (CART) revenues are projected to be:

|  |  |  |
| --- | --- | --- |
| **Revenue Source** | **Amount (millions)** | **Share of Total** |
| County share of gas tax | $79.4 | 77% |
| County intake from motor vehicle sales/use tax | $13.6 | 13% |
| Vehicle fees | $10.6 | 10% |
| Total | $103.6 | 100% |

• CCS HCS SB 23 eliminates both state and local use taxes on the storage, use or consumption of motor vehicles, trailers, boats or outboard motors. This act specifies that a sales tax is to be collected for the titling of such property.

• Counties can establish Tax Increment Financing (TIF) districts and commissions. Currently, 50 percent of additional revenues generated by TIFs are to be deposited into the special allocation fund for the TIF project

• Counties can create Transportation Development Districts (TDD) and impose a sales tax in increments of 1/8 percent up to one percent. TDD sales taxes have historically been collected by the district or local authority. Unlike TIF, the TDD imposes its own taxes to fund projects and does not divert or diminish the revenue of other taxing jurisdictions. Funding mechanisms include sales tax, property tax, special assessment and toll roads. Revenue can be applied to project costs including debt service on revenue bonds or refunding bonds issued by the district or the Commission.

## **Challenges in Funding and Financing Transportation Projects:**

• HCS SS#2 SCS SJR 16 failed but would have raised the state sales and use tax by 1 cent for a period of ten years with the proceeds used for transportation purposes. Five percent of the sales and use tax proceeds were to be deposited into the County Aid Transportation Fund.

## **Innovative Solutions to Funding and Financing Challenges**

• The use of TDD in conjunction with TIF can be beneficial if there are additional transportation-related public improvements that would not otherwise be funded with TIF revenues, either because such improvements were not included as part of the TIF redevelopment project or because the budget limits identified in the TIF redevelopment plan preclude the use of TIF revenues to finance such improvements. TDD and TIF create a unique synergy that not only generates TDD revenue to fund the district’s portion of the project, but also generates additional TIF revenue to fund the TIF portion of the project.

•