

Eliminating automatic expiration of street maintenance sales-and-use tax

HB 3084 by Phillips (Deuell)

DIGEST: HB 3084 would have eliminated the current four-year automatic expiration for street maintenance sales-and-use taxes and instead would have allowed a municipality's governing body or at least 5 percent of its registered voters to call an election to abolish the tax. A municipality currently may impose a one-quarter or one-eighth of one cent sales-and-use tax for the maintenance and repair of existing streets, excluding county, state, and federal roads, as long as the total local sales-and-use tax rate does not exceed 2 percent. The tax automatically expires in four years unless reauthorized by the voters.

**GOVERNOR'S
REASON FOR
VETO:**

“Currently, the Street Maintenance Sales Tax adopted by a municipality must be reauthorized every four years by voters. House Bill No. 3084 would overturn this important taxpayer protection by allowing the tax to remain in effect until the municipality requests a public vote, or five percent of registered voters petition for an election.

“By making the Street Maintenance Sales Tax permanent, House Bill No. 3084 shifts the balance of power away from those being taxed to the government. The burden of justifying whether a tax should exist should fall on government, not the governed.

“Additionally, the percentage of registered voters required to initiate an election is too high. The 5 percent threshold would merely serve as an additional roadblock to taxpayer participation in their government.”

RESPONSE: Neither Rep. Larry Phillips, the bill's author, nor Sen. Robert Deuell, the Senate sponsor, had a comment on the veto.

NOTES: HB 3084 was analyzed in Part One of the April 12 *Daily Floor Report*.