

1 **ARTICLE 2A. ROAD DEVELOPMENT AND MAINTENANCE FEE.**

2 **§17-2A-8d. Study of alternative revenue sources to fund state roads**
3 **and highways; findings and intent; report;**
4 **recommendations.**

5 (a) The Legislature finds as follows:

6 (1) An efficient and effective transportation system is
7 critical for West Virginia's economy and quality of life;

8 (2) Continued efficiency and effectiveness depend on a stable
9 and reliable source of revenue to fund the system's maintenance,
10 operation, preservation and improvements;

11 (3) The motor vehicle fuel tax has been a fundamental means of
12 paying for state and federal roads. Until recently, these taxes
13 have been an adequate and stable source of revenue;

14 (4) Since 1980, with gradual gains in average vehicle fuel
15 economy, vehicle miles traveled has doubled while fuel consumption
16 itself has increased by just half. Long-range projections for fuel
17 consumption and vehicle miles traveled from the Energy Information
18 Administration (EIA) suggest that this trend will continue;

19 (5) Changing conditions in the fuel market since the year 2000
20 have driven changes in consumers' tastes in the vehicle market,
21 with a shift toward vehicles with superior fuel economy and
22 vehicles that rely on alternative fuels;

23 (6) Because the average individual vehicle miles traveled is

1 expected to grow faster than fuel consumption in the coming
2 decades, alternative funding mechanisms based on alternative
3 funding sources, such as vehicle miles traveled, for roads and
4 highways should provide a more stable source of revenue;

5 (7) According to EIA projections, federal fuel tax revenue,
6 assuming current per-gallon rates, should increase by about ten
7 percent between 2015 and 2030, growing from \$36 billion to \$39
8 billion (2009 dollars).

9 (8) If, instead, fuel taxes were replaced with an alternative
10 funding source, such as fees based on vehicle miles traveled, in
11 2015 at an initially revenue-neutral rate, receipts should increase
12 by thirty-three percent over the same period, growing from \$36
13 billion to \$47 billion; and

14 (9) Other states and the federal government face the same
15 difficulty of stagnating fuel tax revenues. A number of other
16 states have embarked on pilot projects and other efforts over the
17 last decade to evaluate potential new systems for the assessment
18 and collection of taxes or fees for the use of a transportation
19 system. Such efforts have shown that new systems to assess a fee
20 based on usage of state and local roads are indeed technologically
21 feasible today.

22 (b) It is the intent of the Legislature to establish the
23 governance structure and groundwork needed to adopt an alternative

1 source of revenue collection for road development and maintenance
2 that will supplement the current system of motor vehicle fuel
3 taxation. To this end, this section provides for a study,
4 conducted by the Commissioner of Highways, to guide the first
5 stages of the transition, focusing on determining the feasibility
6 and optimal methods of implementation for a road user assessment.

7 (c) The study created under subsection (b) of this section
8 shall:

9 (1) Research and review relevant reports, data, and efforts in
10 other states and at the federal level with regard to models of
11 assessment and methods of transitioning to an alternative system of
12 paying for West Virginia roads and highways and analyze the
13 research to identify issues for policy decisions in West Virginia;

14 (2) Make recommendations on the design for a pilot project or
15 projects. The recommendations must be submitted to the Legislature
16 by November 1, 2013; and

17 (3) In arriving at its recommendations:

18 (A) Determine and apply criteria for identifying the most
19 promising road usage fee collection implementation options to
20 evaluate in a pilot project;

21 (B) Identify uncertainties that would need to be resolved in
22 order to develop a technically feasible and cost-effective system
23 of road use fee collection; and

1 (C) Propose legislation that would enable the conduct of pilot
2 program or programs.

3 (d) In order to assist the Commissioner of Highways in making
4 recommendations, the department may participate in studies and
5 limited pilot projects to test technical feasibility that can be
6 accomplished within existing resources.

NOTE: The purpose of this bill is to direct the Commissioner
of Highways to conduct a study on alternative revenue mechanisms
for development and maintenance of state roads and highways.

This section is new; therefore, strike-throughs and
underscoring have been omitted.