

1 **Senate Bill No. 354**

2 (By Senators Plymale, Kessler (Mr. President), Cann, Stollings,
3 Fitzsimmons, Tucker and McCabe)

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5 [Introduced February 22, 2013; referred to the Committee on
6 Transportation and Infrastructure.]

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11 A BILL to amend the Code of West Virginia, 1931, as amended, by
12 adding thereto a new section, designated §17-2A-8d, relating
13 to directing the Commissioner of Highways to conduct a study
14 on alternative revenue mechanisms for development and
15 maintenance of state roads and highways; making legislative
16 findings and specifying intent; requiring a study and
17 specifying study design; authorizing pilot projects and
18 interagency cooperation; and requiring report and
19 recommendations by certain date.

20 *Be it enacted by the Legislature of West Virginia:*

21 That the Code of West Virginia, 1931, as amended, be amended
22 by adding thereto a new section, designated §17-2A-8d, to read as
23 follows:

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

2 **§17-2A-8d. Study of alternative revenue sources to fund state**
3 **roads 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 transportation system's
10 maintenance, 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) A 2011 research brief prepared by the RAND Corporation's
15 Infrastructure, Safety and Environment Program made the following
16 findings:

17 (A) Since 1980, vehicle miles traveled have doubled, while
18 fuel consumption itself has increased by just one half. Long-range
19 projections provided by the Energy Information Administration in
20 2012 on fuel consumption and vehicle miles traveled suggest that
21 this trend will continue;

22 (B) Conditions in the fuel market since the year 2000 have

1 changed consumers' tastes in the vehicle market, with a shift
2 toward vehicles with superior fuel economy and those that rely on
3 alternative fuels;

4 (C) Individual vehicle miles traveled are expected to grow
5 faster than fuel consumption in the coming decades; therefore,
6 alternative funding mechanisms based on alternative funding sources
7 such as vehicle miles traveled for roads and highways will provide
8 a more stable source of revenue;

9 (D) The Energy Information Administration projects that the
10 federal fuel tax should increase by about ten percent between 2015
11 and 2030, growing from \$36 billion to \$39 billion (in 2009
12 dollars);

13 (E) If, instead, fuel taxes are replaced with an alternative
14 funding source, such as fees based on vehicle miles traveled, in
15 2015 at an initially revenue-neutral rate, receipts will increase
16 by thirty-three percent over the same period, growing from \$36
17 billion to \$47 billion; and

18 (F) Other states, as well as the federal government, face the
19 same difficulty of stagnating fuel tax revenues. A number of other
20 states have embarked on pilot projects and other efforts over the
21 last decade to evaluate potential new systems for the assessment
22 and collection of taxes or fees for the use of a transportation
23 system. Such efforts have shown that new systems to assess a fee

1 based on usage of state and local roads are technologically
2 feasible today.

3 (b) Therefore, it is the intent of the Legislature to
4 establish the governance structure and lay the groundwork necessary
5 to adopt an alternative source of revenue collection for road
6 development and maintenance that will supplement the current system
7 of motor vehicle fuel taxation. To this end, this section provides
8 for a study, conducted by the Commissioner of Highways, to guide
9 the first stages of the transition, focusing on determining the
10 feasibility and optimal methods of implementation for a road user
11 assessment.

12 (c) The study, created under subsection (b) of this section,
13 shall authorize the Commissioner of Highways to do the following:

14 (1) Research and review relevant reports, data and efforts in
15 other states and at the federal level with regard to models of
16 assessment and methods of transitioning to an alternative system of
17 funding West Virginia roads and highways, and analyze the research
18 to identify issues for policy decisions in West Virginia;

19 (2) Make recommendations on the design for a pilot project or
20 projects. The recommendations shall be submitted to the
21 Legislature by January 31, 2014; and

22 (3) In developing recommendations, the Commissioner of
23 Highways shall do the following:

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

4 (B) Identify uncertainties that must be resolved in order to
5 develop a technically feasible and cost-effective system of road
6 use fee collection; and

7 (C) Propose legislation that will enable the establishment and
8 implementation of a pilot program or programs.

9 (d) In order to assist the Commissioner of Highways in making
10 recommendations, the Department of Highways may participate in
11 studies and limited pilot projects to test technical feasibility
12 that can be 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.)

FINANCE COMMITTEE AMENDMENT

On page five, section eight-d, line eight, by striking out the word "Department", and inserting in lieu thereof the word "Division".