

1 follows:

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

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

6 (a) The Legislature finds as follows:

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

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

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

15 (4) A 2011 research brief prepared by the RAND Corporation's
16 Infrastructure, Safety and Environment Program made the following
17 findings:

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

1 (B) Conditions in the fuel market since the year 2000 have
2 changed consumers' tastes in the vehicle market, with a shift
3 toward vehicles with superior fuel economy and those that rely on
4 alternative fuels;

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

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

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

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

1 system. Such efforts have shown that new systems to assess a fee
2 based on usage of state and local roads are technologically
3 feasible today.

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

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

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

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

23 (3) In developing recommendations, the Commissioner of

1 Highways shall do the following:

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

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

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

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