

# Senate Bill No. 354

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

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

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

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

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

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

**FEE.**

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

1 (a) The Legislature finds as follows:

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

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

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

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

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

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

24 (C) Individual vehicle miles traveled are expected to  
25 grow faster than fuel consumption in the coming decades;  
26 therefore, alternative funding mechanisms based on  
27 alternative funding sources such as vehicle miles traveled for  
28 roads and highways will provide a more stable source of  
29 revenue;

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

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

39 (F) Other states, as well as the federal government, face  
40 the same difficulty of stagnating fuel tax revenues. A number  
41 of other states have embarked on pilot projects and other  
42 efforts over the last decade to evaluate potential new systems  
43 for the assessment and collection of taxes or fees for the use  
44 of a transportation system. Such efforts have shown that new  
45 systems to assess a fee based on usage of state and local  
46 roads are technologically feasible today.

47 (b) Therefore, it is the intent of the Legislature to  
48 establish the governance structure and lay the groundwork  
49 necessary to adopt an alternative source of revenue collection  
50 for road development and maintenance that will supplement  
51 the current system of motor vehicle fuel taxation. To this  
52 end, this section provides for a study, conducted by the

53 Commissioner of Highways, to guide the first stages of the  
54 transition, focusing on determining the feasibility and optimal  
55 methods of implementation for a road user assessment.

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

59 (1) Research and review relevant reports, data and efforts  
60 in other states and at the federal level with regard to models  
61 of assessment and methods of transitioning to an alternative  
62 system of funding West Virginia roads and highways, and  
63 analyze the research to identify issues for policy decisions in  
64 West Virginia;

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

68 (3) In developing recommendations, the Commissioner  
69 of Highways shall do the following:

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

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

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

78 (d) In order to assist the Commissioner of Highways in  
79 making recommendations, the Department of Highways may  
80 participate in studies and limited pilot projects to test  
81 technical feasibility that can be accomplished within existing  
82 resources.

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(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.)

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#### FINANCE COMMITTEE AMENDMENT

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