

E N G R O S S E D

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 354

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

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

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,

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[Eng. Com. Sub. for S. B. No. 354

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
41 number of other states have embarked on pilot projects and
42 other efforts over the last decade to evaluate potential new
43 systems for the assessment and collection of taxes or fees for
44 the use of a transportation system. Such efforts have shown
45 that new systems to assess a fee based on usage of state and
46 local roads are technologically feasible today.

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[Eng. Com. Sub. for S. B. No. 354

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 Division of Highways may
80 participate in studies and limited pilot projects to test
81 technical feasibility that can be accomplished within existing
82 resources.