
Transportation Committee

HB 2704

Brief Description: Creating a road user future funding task force.

Sponsors: Representatives Billig, Clibborn, Armstrong, Liias and Asay.

Brief Summary of Bill

- Establishes the Road User Future Funding Task Force (Task Force) to assist the Washington State Transportation Commission and the Legislature in developing the policy for a new system of revenue collection for Washington's roads and highways.

Hearing Date: 2/1/12

Staff: Alison Hellberg (786-7152).

Background:

Mileage-Based Road Use Charge/Vehicle Miles Traveled Fee.

A mileage-based road use charge or vehicle miles traveled fee is a user fee for the use of a system of roads. The fee is based on the distance driven on the road system. In the United States, while there are many road use charge systems in place, such as the tolled facilities on State Route (SR) 520 and SR 16 in Washington State, no mileage-based road use charge system has been implemented. Several states have engaged in research and pilot projects to evaluate such systems.

Connecting Washington Task Force.

In July 2011 Governor Gregoire convened the Connecting Washington Task Force, which consisted of 31 members representing business, local government, labor, and environmental interests, with the purpose of creating a 10-year strategy to maintain and improve the state's transportation system. As part of its final report, the Connecting Washington Task Force made several recommendations, including a recommendation to invest \$21 billion in state funding during the next 10 years to preserve the transportation system and make strategic investments in the corridors that hold the key to job creation and economic growth. The Connecting

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Washington Task Force also recommended planning for a transition to more sustainable funding sources for transportation, including the exploration of a revenue system based upon vehicle miles traveled.

Study of Alternative Transportation Revenue Systems Based on Roadway Usage.

The Transportation Research Board, a transportation-research division of the National Academies of Sciences, issued two reports in 2009 and 2010 concerning mileage-based road use charge development. In the 2009 report, researchers described how currently available technology and administrative structures might be used to implement direct usage-based charges in the near future. In the 2010 report, researchers identified system trials as an important element for devising viable usage-based charge systems. According to the report, the objectives of such trials would be to demonstrate the functional feasibility of technologies for recording road usage, assessing charges, and collecting fees; to gauge and possibly encourage public acceptance of direct-usage fees; and to provide insights on cost and organizational matters helpful to designing and implementing direct usage-based charges.

In 2001 Oregon established the Road User Fee Task Force with a stated mission to develop a revenue collection design funded through user pay methods, acceptable and visible to the public, that ensures a flow of revenue sufficient to annually maintain, preserve and improve Oregon's state, county and city highway and road system. The Oregon task force recommended that the Oregon Department of Transportation conduct a pilot program to study two strategies: study the feasibility of replacing the gas tax with a mileage-based fee based on miles driven in Oregon and collected at fueling stations; and study the feasibility of using this system to collect congestion charges. According to the final report, the pilot program showed that, using existing technology in new ways, a mileage fee could be implemented to replace the gas tax as the principal revenue source for road funding.

Summary of Bill:

Findings and Intent.

The Legislature finds that:

- An efficient and effective transportation system is critical for Washington's economy and quality of life. Continued efficiency and effectiveness depend on a stable and reliable source of revenue to fund the system's maintenance, operation, preservation, and improvements.
- The motor vehicle fuel and special fuel taxes have been a fundamental means of paying for state roads, ferries, and the Washington State Patrol for over 90 years, and the taxes still provide well over 50 percent of ongoing state revenue for transportation purposes. Until recently, these taxes have been a source of revenue that has had stable growth.
- Since the year 2000, the average annual growth in the consumption of gasoline and diesel in Washington, upon which the motor vehicle fuel and special fuel taxes are based, has been less than one-twentieth of 1 percent. At the same time, the average annual growth in the cost of maintaining one lane mile in the state highway system has been 2.8 percent.
- Changing conditions in the fuel market since the year 2000 have driven changes in consumers' tastes in the vehicle market, with an emphasis toward vehicles with superior fuel economy and vehicles that rely on alternative fuels.

- The Washington transportation revenue forecasts anticipate continued movement towards vehicles with improved fuel economies, contributing to an expected decline in gasoline consumption over time.
- Washington transportation forecasters expect slow but positive growth in vehicle miles traveled upon the state and local transportation system to continue.
- Those persons and businesses that use the transportation system have an obligation to help support the system through taxes or fees. Until recently, fuel taxes have served as a good proxy for user fees for the system. With increasing fuel economy in many newer vehicle models, including some that do not rely on conventional fuels at all, there is a growing discrepancy between the use of the transportation system and payments to support the system.
- Other states and the federal government face the same difficulty of stagnating fuel tax revenues. A number of other states, as well as the Puget Sound Regional Council, have embarked on pilot projects and other efforts over the last decade to evaluate potential new systems for the assessment and collection of taxes or fees for the use of a transportation system. Such efforts have shown that new systems to assess a fee based on usage of state and local roads are indeed technologically feasible today.
- Despite the technological success of recent pilot projects in Washington and elsewhere, the transition away from the current system of fuel taxation to a new system is likely to create a number of fiscal, legal, constitutional, implementation, and public concern issues, requiring a number of years to resolve.
- The Washington State Transportation Commission (Commission) is tasked with transportation policy development and should continue to play a vital role in the development of a new revenue collection system.

It is the intent of the Legislature to establish the governance structure and groundwork needed to transition from the current system of motor vehicle fuel and special fuel taxation to a new system of revenue collection. The following provisions provide for the creation of a statutory task force to guide the first stages of the transition, focusing on determining the feasibility and optimal methods of implementation for a system based on a vehicle miles traveled fee, over the next 10 years.

Task Force.

The Road User Future Funding Task Force (Task Force) is established. The purpose of the Task Force is to assist the Commission and the Legislature in developing the policy for a new system of revenue collection for Washington's roads and highways. It is the intent of the Legislature that the new revenue collection system be developed to assess a fee based on usage of state and local roads.

Membership.

The Task Force consists of 17 voting members:

- one member from each of the two largest caucuses of the House of Representatives, appointed by the Speaker of the House of Representatives;
- one member from each of the two largest caucuses of the Senate, appointed by the President of the Senate;
- two members from the Commission, appointed by the chair of the Commission;
- the Secretary of the Department of Transportation (DOT);
- the Director of the Department of Licensing (DOL);

- one elected county official, appointed by the Governor;
- one elected city official, appointed by the Governor;
- one citizen at large, appointed by the Governor; and
- six members, appointed by the Governor, representing the following interests: the motoring public; businesses at large; trucking; public transportation; environmental; and vehicle tolling or user fee technology development.

The term for Task Force members is four years, except that elected officials cease to be a member of the Task Force when they cease to be elected officials. The Task Force must meet at least three times a year. The Commission must convene the first meeting and the Task Force selects a chair from among its membership. Official action by the Task Force requires the approval of a majority of the members of the task force. The Commission provides staff support to the Task Force and the DOT and the DOL must also provide staff support as needed.

The budget for the Task Force must be submitted by the Commission. The Commission may solicit and accept grants and assistance from the United States government and its agencies and from any other source, public or private, for the purposes of the Task Force. The Commission may accept gifts or donations of equipment necessary to carry out research and system trials.

Duties.

The Task Force must research and review efforts and studies in other states, at the federal level, and in other nations to evaluate methods of transitioning to vehicle miles traveled fee or mileage-based user fee systems of paying for transportation systems.

In conjunction with the Commission, the DOL, and the DOT, the Task Force must make recommendations on the design for a system trial or trials. The recommendation must be submitted to the Governor and the Legislature by October 1, 2014. In arriving at its recommendation, the Task Force must:

- enumerate and characterize potential vehicle miles traveled fee implementation options, such as metering mileage, collecting fees, and protecting privacy;
- determine and apply criteria for identifying the most promising vehicle miles traveled fee implementation options to evaluate in the trials;
- identify uncertainties that would need to be resolved in order to develop a technically feasible, politically viable, and cost-effective system of vehicle miles traveled fees;
- determine which of these issues could be resolved or informed through suitably structured trials;
- solicit input from stakeholders and subject matter experts;
- sequence the trials as necessary to build public acceptance in a new system;
- synthesize findings to outline possible options for funding, organizing, structuring, managing, and conducting the trials;
- address the possibility of joint trials with neighboring states; and
- propose legislation, jointly with the Commission, the DOL, and the DOT, that would enable the conduct of the trial or trials;

In conjunction with the Commission, the Task Force must assess public perspectives concerning a transition to a new system and to create a plan to optimize public acceptance of a new vehicle miles traveled fee system. Pending legislative approval and funding of a system trial or trials, the Task Force must evaluate the success of the trials. If the trials are successful, the Task Force

must propose legislation jointly with the Commission, the DOL, and the DOT that would implement the system.

The Task Force must report, by December 1 of each year beginning in 2012, to the Governor and to the Legislature on the work of the Task Force.

The Task Force has authority to continue operations until June 30, 2022. These provisions expire June 30, 2023.

Appropriation: None.

Fiscal Note: Requested on January 25, 2012.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.