Prohibits the sale and use of studded tires.

Creates the pavement account.

Directs the state treasurer to: (1) On August 1, 2014, transfer ten million dollars from the motor vehicle account to the pavement account; and

(2) On August 1st of each even-numbered year thereafter, transfer an amount equal to ten million dollars, adjusted for inflation according to the construction cost index as calculated for the previous fiscal year, from the motor vehicle account to the pavement account.

Requires the department of transportation to: (1) Establish a studded tire pavement repair grant program to aid counties in funding pavement repairs necessitated primarily by damage caused from studded tires;

- (2) Submit a prioritized list of all projects requesting funding to the legislature by September 15th of each even-numbered year beginning in 2014; and
- (3) Report annually to the transportation committees of the legislature on the status of any grants projects funded by the program.