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## SUBSTITUTE HOUSE BILL 2704

State of Washington 62nd Legislature 2012 Regular Session

By House Transportation (originally sponsored by Representatives Billig, Clibborn, Armstrong, Liias, and Asay)

READ FIRST TIME 02/07/12.

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AN ACT Relating to a road user future funding task force; adding new sections to chapter 47.01 RCW; creating a new section; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

## NEW SECTION. **Sec. 1.** (1) The legislature finds that:

- (a) 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.
- (b) 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 ninety years, and the taxes still provide well over fifty percent of ongoing state revenue for transportation purposes. Until recently, these taxes have been a source of revenue that has had stable growth.
- (c) 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-

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twentieth of one 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.

- (d) 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.
- (e) The Washington transportation revenue forecasts anticipate continued movement towards vehicles with improved fuel economies, contributing to an expected decline in gasoline consumption over time.
- (f) Washington transportation forecasters expect slow but positive growth in vehicle miles traveled upon the state and local transportation system to continue.
- (g) 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.
- (h) The public needs information on how the transportation system in the state is funded, and the public needs to understand various funding approaches and options.
- (i) 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.
- (j) 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.
- (k) The transportation commission is tasked with transportation

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policy development under RCW 47.01.075 and should continue to play a vital role in the development of a new revenue collection system.

- (2) Therefore, 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. To this end, this act provides 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 road user assessment.
- NEW SECTION. Sec. 2. A new section is added to chapter 47.01 RCW to read as follows:
- 12 (1) A road user future funding task force is established, the 13 purpose of which is to assist the legislature in developing the policy 14 for a new system of revenue collection for Washington's roads and 15 highways.
- 16 (2) The task force must consist of fifteen voting members and two nonvoting members appointed as provided in this subsection:
- 18 (a) One member from each of the two largest caucuses of the house 19 of representatives, appointed by the speaker of the house of 20 representatives;
- 21 (b) One member from each of the two largest caucuses of the senate, 22 appointed by the president of the senate;
- (c) One member from the commission, appointed by the commission, who shall serve as chair of the task force;
  - (d) The following ten members appointed by the governor:
  - (i) One representative of county government;
- 27 (ii) One representative of city government;

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- 28 (iii) One representative from an association that represents the 29 interests of the motoring public;
- 30 (iv) One representative from an association that represents 31 businesses at large;
- (v) One representative from an association that represents trucking interests;
- (vi) One representative from an association that represents public transportation interests;
- 36 (vii) One representative from an association that represents 37 environmental interests;

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- 1 (viii) One representative from an association or group that 2 represents vehicle tolling or user fee technology development;
  - (ix) One representative from an association that represents interests of automobile and light truck manufacturers; and
    - (x) One citizen at large; and

- (e) The secretary or his or her designee and the director of the department of licensing or his or her designee shall serve as nonvoting members of the task force.
- (3) The task force shall meet as often as deemed necessary by its membership, but no less than three times each year.
- (4) The commission shall convene the task force and provide primary staff support for the task force.
- (5) In coordination with the task force, the department, with assistance as needed by the department of licensing, is responsible for work elements related to assessing operational feasibility, including technology, agency administration, multistate and federal standards, and other tasks as deemed necessary by the task force.
- (6) Official action by the task force requires the approval of a majority of the members of the task force.
- (7) Legislative members of the task force may be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses as provided in RCW 43.03.220 and 43.03.050.
- NEW SECTION. Sec. 3. A new section is added to chapter 47.01 RCW to read as follows:
  - (1) The task force created under section 2 of this act shall:
  - (a) Research and review relevant reports, data, and efforts in other states, at the federal level, and in other nations in regards to models of road user assessments and methods of transitioning to a road user assessment system of paying for transportation and analyze the research to identify issues for policy decisions in Washington;
  - (b) Make recommendations on the design for a system trial or trials. The recommendations must be submitted to the governor and the transportation committees of the legislature by October 1, 2014; and
    - (c) In arriving at its recommendations:

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(i) Enumerate and characterize potential road user assessment implementation options, such as metering mileage, collecting fees, and protecting privacy;

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- (ii) Determine and apply criteria for identifying the most promising road user assessment implementation options to evaluate in the trials;
- (iii) Identify uncertainties that would need to be resolved in order to develop a technically feasible, politically viable, and cost-effective system of road user assessments;
- 10 (iv) Determine which of these issues could be resolved or informed through suitably structured trials;
  - (v) Consider broader views and potential implications of a road user assessment on different system users by soliciting input from stakeholders, the public, and subject matter experts;
  - (vi) Create a plan to assess public perspectives concerning a road user assessment and to educate the public on the current transportation financing system and options for a new revenue collection system;
- 18 (vii) Sequence the trials as necessary to build public acceptance 19 in a new system;
- 20 (viii) Synthesize findings to outline possible options for funding, 21 organizing, structuring, managing, and conducting the trials;
- 22 (ix) Address the possibility of joint trials with neighboring 23 states; and
- 24 (x) Propose legislation that would enable the conduct of the trial 25 or trials.
  - (2) order assist the task force In to in making its recommendations, the department may participate in studies and limited pilot projects to test technical feasibility that can be accomplished within existing resources. The department must coordinate with the task force and shall report regularly to the task force on these activities, and the task force must consider the outcomes of these activities in making its recommendations.
- 33 (3) The task force shall report by January 1st of each year 34 beginning in 2013 to the governor and to the transportation committees 35 of the legislature on the work of the task force.
- NEW SECTION. Sec. 4. A new section is added to chapter 47.01 RCW to read as follows:

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1 (1) The budget for the task force created under section 2 of this 2 act must be submitted by the commission.

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- (2) The commission and the department 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.
- 7 (3) The commission and the department may accept gifts or donations 8 of equipment necessary to carry out research under section 3 of this 9 act.
- NEW SECTION. Sec. 5. Sections 1 through 4 of this act expire June 30, 2015.

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