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HOUSE JOINT RESOLUTION NO. 581

Offered January 14, 2015

Prefiled January 10, 2015

Directing the Joint Legislative Audit and Review Commission to study alternative taxes and fees for highway funding in the Commonwealth. Report.

Patron—Surovell

Referred to Committee on Rules

WHEREAS, Virginia's revenues from its fuels and road taxes generated \$658.2 million in Fiscal Year 2014, a decrease of \$187.9 million compared with \$846.1 million generated in Fiscal Year 2004; and

WHEREAS, the Virginia Department of Transportation has estimated that Virginia capital construction funding needs for transportation over the next 20 years will exceed available funds by at least \$100 billion; and

WHEREAS, Virginia's mass transit funding is anticipated to decrease by a total of \$129.5 million by fiscal year 2019 due to Congress' failure to enact the Marketplace Fairness Act, which would have authorized states to require remote sellers to collect sales taxes on retail sales to customers in the state; and

WHEREAS, current federal Corporate Average Fuel Economy Standards will require motor vehicles to become increasingly more fuel efficient; and

WHEREAS, sales of fully electric vehicles are growing at annual rates of 20 percent or more and the Commonwealth's fuels taxes are not collected on these vehicles; and

WHEREAS, House Bill No. 2313 (2013) changed the rate of Virginia's fuels taxes on gasoline, gasohol, diesel fuel, and blended fuel from \$0.175 per gallon to (i) 3.5 percent of the average wholesale price of a gallon of unleaded regular gasoline for purchases of gasoline, gasohol, and blended fuel that contains gasoline through December 31, 2014, and 5.1 percent of such average wholesale price beginning January 1, 2015, and (ii) 6.0 percent of the average wholesale price of a gallon of diesel fuel for purchases of diesel fuel and blended fuel that contains diesel fuel; and

WHEREAS, the General Assembly changed to a percentage-based tax on fuels to account for inflation in the costs of building and maintaining roads and increases in the fuel economy of motor vehicles; and

WHEREAS, future increases in fuel economy will continue to erode the revenues received from Virginia's fuels taxes; and

WHEREAS, Oregon has conducted three separate pilot programs to study the feasibility of imposing charges for road usage based on the miles traveled by a vehicle and, beginning July 1, 2015, will begin to permanently collect road usage charges from 5,000 volunteers based on the miles they drive; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study alternative taxes and fees for highway funding in the Commonwealth.

In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall study the adequacy of taxes and fees currently dedicated for construction and maintenance of Virginia's roads and the feasibility of alternatives to such taxes and fees, including but not limited to road usage charges based on actual vehicle miles traveled, other flat fees, increased use of tolls, and charges on motor vehicle parts and fluids that must be replaced as vehicle miles traveled increase, such as tires and motor oil.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Department of Motor Vehicles and the Department of Transportation. All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2015, and for the second year by November 30, 2016, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether JLARC intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and

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59 reports and shall be posted on the General Assembly's website.