

By: Canales

H.B. No. 3418

A BILL TO BE ENTITLED

AN ACT

relating to the implementation by the Texas Department of Transportation of a vehicle mileage user fee pilot program and a task force to assist in developing and evaluating the program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 502, Transportation Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. VEHICLE MILEAGE USER FEE PILOT PROGRAM

Sec. 502.501. LEGISLATIVE PURPOSE. (a) The purpose of this subchapter is to assess the feasibility of eliminating the state gasoline and diesel tax, also known as the motor fuel taxes, and other user fees for transportation.

Sec. 502.502. DEFINITIONS. In this subchapter:

(1) "Motor fuel taxes" means the motor fuel taxes imposed under Chapter 162, Tax Code.

(2) "Pilot program" means the vehicle mileage user fee pilot program.

(3) "Task force" means the vehicle mileage user fee task force.

Sec. 502.503. TASK FORCE. (a) The vehicle mileage user fee task force is established to guide the development and evaluation of the vehicle mileage user fee pilot program to assess the potential for mileage-based revenue as an alternative to the current system of taxing highway use through motor fuel taxes.

1 (b) The task force shall consist of seven members appointed
2 as follows:

3 (1) one member appointed by the lieutenant governor;

4 (2) one member appointed by the speaker of the house of
5 representatives;

6 (3) one member appointed by the chair of the standing
7 committee of the house of representatives having primary
8 jurisdiction over transportation;

9 (4) one member appointed by the chair of the standing
10 committee of the senate having primary jurisdiction over
11 transportation; and

12 (5) three members appointed by the governor.

13 (c) The task force shall:

14 (1) conduct at least three public hearings gather
15 public comment on issues and concerns related to the pilot program;

16 (2) make recommendations to the department on the
17 design and on the criteria to be used to evaluate the pilot program
18 and other alternative approaches to motor fuel taxes; and

19 (3) evaluate the pilot program.

20 (d) In conducting hearings under Subsection (c)(1), the
21 task force shall:

22 (1) publish notice in accordance with Government Code
23 551, referred to as "The Open Meetings Act"; and

24 (2) publish notice on the department's website; and

25 (3) provide interested persons with an opportunity to
26 submit their opinions orally and in writing.

27 (e) The department may create and maintain a website to

1 allow members of the public to submit comments electronically.

2 (f) On request, the department shall assist the task force
3 in implementing this subchapter.

4 Sec. 502.504. PILOT PROGRAM. (a) The department, in
5 consultation with the Texas Department of Motor Vehicles and the
6 Texas A&M Transportation Institute, shall develop and implement a
7 statewide pilot program to assess a user fee on owners of commercial
8 motor vehicles that is based on the number of miles traveled on
9 public highways in this state by those vehicles.

10 (b) The pilot program must:

11 (1) include not more than 300 commercial motor
12 vehicles, the operators of which will have on-board
13 vehicle-mileage-counting equipment added to their vehicles,
14 administered in a manner the department considers appropriate;

15 (2) test the reliability, ease of use, cost, and
16 public acceptance of technology and methods for:

17 (A) counting the number of miles traveled by
18 motor vehicles;

19 (B) reporting the number of miles traveled by
20 particular vehicles; and

21 (C) collecting payments from participants in the
22 pilot program; and

23 (3) analyze and evaluate the ability of different
24 technologies and methods to:

25 (A) protect the integrity of data collected and
26 reported;

27 (B) ensure operators' privacy; and

1 (C) vary pricing based on the time of driving,
2 type of public highway, proximity to transit, vehicle fuel
3 efficiency, participation in car-sharing or pooling, or the income
4 of the operator.

5 (c) The pilot program may not last less than one year.

6 Sec. 502.505. COMPENSATION OF PARTICIPANTS. The department
7 by rule shall establish a process to ensure that participants in the
8 pilot program are not required to spend more on fees or taxes
9 associated with road usage than if they had not participated in the
10 program. A process adopted under this section may include a refund
11 of motor fuel taxes paid by the participant or other compensation.

12 Sec. 502.506. CONFIDENTIALITY OF INFORMATION. Identifying
13 information about participants in the pilot program is confidential
14 and is not subject to disclosure under Chapter 552, Government
15 Code.

16 Sec. 502.507. REPORT. Not later than September 1, 2026, the
17 department shall submit to the legislature a report summarizing the
18 results of the pilot program, including:

19 (1) the feasibility of permanently assessing a vehicle
20 mileage user fee;

21 (2) an evaluation of the impacts of a vehicle mileage
22 user fee on the economy, the environment, and traffic congestion;

23 (3) a comparison to other alternative approaches or
24 supplements to motor fuel taxes; and

25 (4) the department's recommendations together with
26 suggested legislation necessary to implement the recommendations.

27 Sec. 502.508. APPLICATION FOR FEDERAL FUNDING. The

1 department shall submit an application to the United States
2 Department of Transportation for funding in federal fiscal year
3 2023 for the Surface Transportation System Funding Alternatives
4 Program established in the Fixing America's Surface Transportation
5 Act (Pub. L. No. 114-94) to help fund the pilot program. If the
6 application is not successful, the department shall apply in each
7 federal fiscal year in which grants are made available for
8 demonstration projects under this federal program or until the
9 application results in full or partial funding for a vehicle
10 mileage user fee pilot program, whichever first occurs.

11 Sec. 502.509. EXPIRATION OF SUBCHAPTER. This subchapter
12 expires November 1, 2026.

13 SECTION 2. This Act takes effect September 1, 2023.