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.

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

(1)  one member appointed by the lieutenant governor;

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

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

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

(5)  three members appointed by the governor.

(c)  The task force shall:

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

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

(3)  evaluate the pilot program.

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

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

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

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

(e)  The department may create and maintain a website to allow members of the public to submit comments electronically.

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

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

(b)  The pilot program must:

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

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

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

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

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

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

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

(B)  ensure operators' privacy; and

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

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

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

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

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

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

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

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

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

Sec. 502.508.  APPLICATION FOR FEDERAL FUNDING. The department shall submit an application to the United States Department of Transportation for funding in federal fiscal year 2023 for the Surface Transportation System Funding Alternatives Program established in the Fixing America's Surface Transportation Act (Pub. L. No. 114-94) to help fund the pilot program. If the application is not successful, the department shall apply in each federal fiscal year in which grants are made available for demonstration projects under this federal program or until the application results in full or partial funding for a vehicle mileage user fee pilot program, whichever first occurs.

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

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