

SUBJECT: Requiring a vehicle mileage fee pilot program; establishing a task force

COMMITTEE: Transportation — committee substitute recommended

VOTE: 10 ayes — Canales, Raney, Davis, Gámez, Caroline Harris, Lozano, Ordaz, Patterson, Perez, Romero

1 nays — Lujan

2 absent — Ashby, Landgraf

WITNESSES: For — Tom Smitty Smith, Texas Electric Transportation Resources Alliance (*Registered, but did not testify*: Anne O’Ryan, AAA Texas; Karen Rove, Advanced Drainage Systems; Peyton McKnight, American Council of Engineering Companies of Texas; Steven Albright, Associated General Contractors of Texas - Highway Heavy Utility and Industrial Branch; Jason Sabo, Environment Texas; Jay Crossley, Farm&City; David Crossley, Houston Tomorrow; Cyrus Reed, Lone Star Chapter Sierra Club; Karen Rove, Parsons; Adrian Shelley, Public Citizen; Drew Campbell, TAOT; Dennis Kearns, Texas Railroad Association)

Against — Jonathan Kennemer, CKJ Transport LLC; Konor Swedberg, Double Diamond Transport, Inc.; Jackie Polk, Lee TranServices, Inc; Brandon Woods, Refrigerated Transport Inc.; John Willis, Texas Moving Company Inc; John Esparza, Texas Trucking Association; Terri Hall, Texas TURF, Texans for Toll-free Highways, Grassroots America-We the People; John Prewitt, Tideport Distributing; Natalie Ibe, True Texas Project; Rachel Hale, TX Eagle forum; Nate Graglia, Wallport Transit Xpress, Inc; Jerry Maldonado, Warren Transport Inc.; Jack Finger (*Registered, but did not testify*: Michael Stewart, Aggregate Transporters Association of Texas; Kate Gillis, Gulf Intermodal Services; Cindi Castilla, Texas Eagle Forum; Rob Hughes, Texas Forestry Association; Christina Drewry, Texas Freedom Coalition; Fran Rhodes, True Texas Project; Rick Briscoe; Don Dixon; Chris Drewry; Tom Glass; Gregory Porter; Calvin Tillman; Al Zito)

On — (*Registered, but did not testify*: Keith Yawn, Texas Department of Motor Vehicles; Brandye Hendrickson, TxDOT)

BACKGROUND: Some have suggested that because the use of alternatively fueled vehicles will likely increase, the state should explore alternative sources of transportation funding to supplement diesel and gas taxes, such as a vehicle mileage user fee.

DIGEST: CSHB 3418 would require the Texas Department of Transportation (TxDOT), in consultation with the Texas Department of Motor Vehicles and the Texas A&M Transportation Institute, to develop and implement a statewide pilot program to assess a fee on motor vehicle owners based on the number of miles traveled on public highways by those vehicles.

The pilot program would be required to:

- include up to 800 vehicles and measure mileage by a variety of means;
- test the reliability, ease of use, cost, and public acceptance of methods for counting and reporting miles traveled and collecting payments;
- analyze and evaluate technologies and methods to protect data, ensure privacy, and vary pricing based on time and road type; and
- evaluate mileage fee enforceability and impact on equity.

TxDOT would be required to ensure that participation was voluntary and represented a variety of vehicle operators. The program would have to last at least one year. The bill would provide for participant reimbursement and confidentiality. TxDOT would have to submit a report summarizing the program results to the Legislature no later than September 1, 2026, including recommendations for legislation. The bill would require TxDOT to apply for specified federal funding for the pilot program.

CSHB 3418 would establish a seven-member task force to guide the development and evaluation of the pilot program. The bill would provide for the appointment of members by the governor, lieutenant governor,

speaker of the House, and chairs of certain legislative committees. The task force would be required to conduct at least three public hearings on the pilot program, make recommendations to TxDOT on program criteria and design, and evaluate the program.

The bill would take effect September 1, 2023, and would expire November 1, 2026.