

By: Canales

H.B. No. 3418

Substitute the following for H.B. No. 3418:

By: Ordaz

C.S.H.B. No. 3418

A BILL TO BE ENTITLED

1 AN ACT

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

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

6 SECTION 1. Chapter 201, Transportation Code, is amended by  
7 adding Subchapter Z to read as follows:

8 SUBCHAPTER Z. VEHICLE MILEAGE USER FEE PILOT PROGRAM

9 Sec. 201.2101. DEFINITIONS. In this subchapter:

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

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

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

16 Sec. 201.2102. TASK FORCE. (a) The vehicle mileage user  
17 fee task force is established to guide the development and  
18 evaluation of the vehicle mileage user fee pilot program to assess  
19 the potential for mileage-based revenue as an alternative to the  
20 current system of taxing highway use through motor fuel taxes.

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

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

24 (2) one member appointed by the speaker of the house of

1 representatives;

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

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

8 (5) three members that represent the trucking  
9 industry, appointed by the governor.

10 (c) The task force shall:

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

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

16 (3) evaluate the pilot program.

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

19 (1) provide notice:

20 (A) in the manner provided by Chapter 551,  
21 Government Code; and

22 (B) on the department's Internet website; and

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

25 (e) The department may create and maintain an Internet  
26 website to allow members of the public to submit comments  
27 electronically.

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

3       Sec. 201.2103. PILOT PROGRAM. (a) The department, in  
4 consultation with the Texas Department of Motor Vehicles and the  
5 Texas A&M Transportation Institute, shall develop and implement a  
6 statewide pilot program to assess a user fee on owners of motor  
7 vehicles that is based on the number of miles traveled on public  
8 highways in this state by those vehicles.

9       (b) The pilot program must:

10           (1) include not more than 800 motor vehicles, the  
11 mileage of which will be measured by a variety of  
12 vehicle-mileage-counting strategies, including odometer readings,  
13 administered in a manner the department considers appropriate;

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

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

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

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

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

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

26                   (B) ensure operators' privacy; and

27                   (C) vary pricing based on the time of driving and

1 type of public highway; and

2 (4) evaluate:

3 (A) the enforceability of the vehicle mileage  
4 user fee and opportunities for operators to evade or manipulate the  
5 fee; and

6 (B) the impact of the vehicle mileage user fee on  
7 equity.

8 (c) The department shall ensure that participants in the  
9 pilot program:

10 (1) are included only on a voluntary basis; and

11 (2) represent a variety of motor vehicle operators,  
12 including operators of passenger vehicles, commercial motor  
13 vehicles, and electric vehicles.

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

15 Sec. 201.2104. COMPENSATION OF PARTICIPANTS. The  
16 department by rule shall establish a process to ensure that  
17 participants in the pilot program are not required to spend more on  
18 fees or taxes associated with road usage than if they had not  
19 participated in the program. A process adopted under this section  
20 may include a refund of motor fuel taxes paid by the participant or  
21 other compensation.

22 Sec. 201.2105. CONFIDENTIALITY OF INFORMATION.  
23 Identifying information about participants in the pilot program is  
24 confidential and is not subject to disclosure under Chapter 552,  
25 Government Code.

26 Sec. 201.2106. REPORT. Not later than September 1, 2026,  
27 the department shall submit to the legislature a report summarizing

1 the results of the pilot program, including:

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

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

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

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

10 Sec. 201.2107. APPLICATION FOR FEDERAL FUNDING. The  
11 department shall submit an application to the United States  
12 Department of Transportation for funding in federal fiscal year  
13 2023 for the Surface Transportation System Funding Alternatives  
14 Program established in the Fixing America's Surface Transportation  
15 Act (Pub. L. No. 114-94) to help fund the pilot program. If the  
16 application is not successful, the department shall apply in each  
17 federal fiscal year in which grants are made available for  
18 demonstration projects under this federal program or until the  
19 application results in full or partial funding for a vehicle  
20 mileage user fee pilot program, whichever first occurs.

21 Sec. 201.2108. EXPIRATION OF SUBCHAPTER. This subchapter  
22 expires November 1, 2026.

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