

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

H

1

HOUSE BILL 837

Short Title: Study Alternative Methods for Highway Funding. (Public)

Sponsors: Representatives Paré, Johnson, Iler, and Tyson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Finance, if favorable, Rules, Calendar, and
Operations of the House

April 10, 2025

A BILL TO BE ENTITLED

AN ACT TO STUDY ALTERNATIVE METHODS FOR HIGHWAY FUNDING.

The General Assembly of North Carolina enacts:

SECTION 1. The Legislative Services Officer (LSO), in conjunction with the Joint Legislative Transportation Oversight Committee (JLTOC), shall issue a request for proposals (RFP) and select a consultant to study alternative methods for highway funding that would supplement or replace the current system that relies predominantly on the gas tax. The study would include examining the following alternatives:

- (1) The implementation of a fee structure on electric and hybrid vehicles to ensure equitable contribution to the construction and maintenance of State highways, roads, and infrastructure. The study shall include examining the use of a vehicle miles traveled (VMT) fee using odometer readings or other means along with the alternative option of a flat fee based on the average number of miles a vehicle travels annually.
- (2) The implementation of an annually assessed State Highway "Access User Fee" for all vehicles registered in North Carolina and not powered by diesel fuel, in lieu of State gas tax payments and the current electric and hybrid vehicle fees.

SECTION 2. The LSO and JLTOC shall issue an RFP for the study by November 1, 2025, and select a consultant by January 1, 2026. The consultant shall report the findings of this study, including any legislative recommendations, to the chairs of the JLTOC, the chairs of the House and Senate Transportation Appropriations Committees, and the Fiscal Research Division no later than May 1, 2026.

SECTION 3. Of the funds appropriated from the Highway Fund to the Department of Transportation, the Department shall transfer one hundred twenty-five thousand dollars (\$125,000) to the General Assembly to select and retain a consultant to conduct the study required by this act. Funds allocated by this act shall remain available until the conclusion of the study, and any funds unused at that time shall revert to the Highway Fund.

SECTION 4. This act becomes effective July 1, 2025.

