

1 A CONCURRENT RESOLUTION establishing the Mileage-Based Transportation
2 Funding Task Force.

3 WHEREAS, Section 230 of Kentucky's Constitution requires that any excise tax on
4 motor vehicle fuels be spent on highway- and bridge-related projects; and

5 WHEREAS, because of this restriction, the road fund has become the major source
6 of revenue to meet highway funding needs; and

7 WHEREAS, a portion of Kentucky's gasoline tax is adjusted annually based on the
8 average wholesale price of gasoline; and

9 WHEREAS, during the 2015 Regular Session, the General Assembly set the
10 average wholesale price floor at \$2.177 per gallon, which yields a total tax rate of 26
11 cents per gallon, in order to prevent a reduction in revenue due to the decrease in the
12 average wholesale price of gasoline; and

13 WHEREAS, in 2014, the average wholesale price of a gallon of gasoline in the
14 United States was \$3 per gallon; in September 2016, it was \$1.493 per gallon; and

15 WHEREAS, for 2016 model-year vehicles, each carmaker's fleet must average 34.1
16 miles per gallon, up from the previous 33.8 miles per gallon, further reducing fuel usage;
17 and

18 WHEREAS, technological advancements and government incentives have spurred
19 an increase in the popularity of hybrid and electric vehicles, which travel the highways
20 untaxed if they use alternative fuels; and

21 WHEREAS, a number of states have implemented road usage fees for electric
22 vehicles, and Oregon has implemented a pilot program to tax vehicles based on vehicle-
23 miles traveled (VMT);

24 NOW, THEREFORE,

25 ***Be it resolved by the House of Representatives of the General Assembly of the***
26 ***Commonwealth of Kentucky, the Senate concurring therein:***

27 ➔Section 1. The Legislative Research Commission is hereby directed to create the

1 Mileage-Based Transportation Funding Task Force, which shall study and develop the
2 implementation of a mileage-based transportation funding mechanism to replace the
3 current system of taxing highway use through motor vehicle fuel taxes.

4 ➔Section 2. (1) The task force shall be composed of the following members,
5 with final membership of the task force being subject to the consideration and approval of
6 the Legislative Research Commission:

7 (a) Three members of the Senate Transportation Committee, two to be appointed
8 by the President of the Senate, and one to be appointed by the Minority Floor Leader of
9 the Senate;

10 (b) Three members of the House Transportation Committee, two to be appointed
11 by the Speaker of the House, and one to be appointed by the Minority Floor Leader of the
12 House;

13 (c) The secretary of the Transportation Cabinet or his or her designee;

14 (d) The secretary of the Finance and Administration Cabinet or his or her
15 designee; and

16 (e) One representative of the Governor's Office.

17 (2) The President of the Senate and the Speaker of the House shall each appoint
18 one co-chair of the task force from among that chamber's members appointed to the task
19 force.

20 ➔Section 3. The task force shall meet at least monthly during the 2017 Interim of
21 the General Assembly. The task force shall submit its findings and recommendations and
22 any proposed legislation to the Legislative Research Commission for referral to the
23 appropriate committee or committees by December 1, 2017.

24 ➔Section 4. Provisions of this Resolution to the contrary notwithstanding, the
25 Legislative Research Commission shall have the authority to alternatively assign the
26 issues identified herein to an interim joint committee or subcommittee thereof and to
27 designate a study completion date.