

A CONCURRENT RESOLUTION directing the staff of the Legislative Research Commission to study new ways to fund the building of roads.

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

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

WHEREAS, Kentucky's gasoline tax is adjusted every three months based on the average wholesale price of gasoline; and

WHEREAS, on January 1 of this year, Kentucky's gasoline tax rate dropped from 31.9 cents to 27.6 cents per gallon; and

WHEREAS, it is estimated that Kentucky's tax rate will fall to 22.5 cents per gallon in April, resulting in an estimated loss of \$250 million in revenues anticipated in the state budget, \$56 million less than estimated for the current fiscal year and a \$194 million shortfall for the 2015-2016 fiscal year; and

WHEREAS, this reduction in revenue will affect roadway construction projects on both the state and local levels; and

WHEREAS, the Federal Highway Trust Fund also faces a large annual deficit. The federal gasoline tax of 18.4 cents per gallon has not been increased since 1993, meanwhile vehicles have become more fuel efficient; and

WHEREAS, for 2015 model-year vehicles, each carmaker's fleet must average 33.8 miles per gallon, up from the previous 32.2 miles per gallon, further reducing fuel usage; and

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

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the

Commonwealth of Kentucky, the Senate concurring therein:

➔Section 1. The staff of the Legislative Research Commission shall study:

(1) The sufficiency of highway fuel taxes to meet highway funding needs over the next two decades;

(2) The effect of the recent reduction in vehicle miles traveled on road fund revenue; and

(3) Alternative methods to fund Kentucky's highways in the face of reduced fuel consumption.

➔Section 2. Staff shall transmit the results of the study to the Legislative Research Commission, for distribution to the appropriate interim joint committee or committees, by November 30, 2015.

➔Section 3. Provisions of this Resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof and to designate a study completion date.