

West Virginia Blue Ribbon Commission on Highways
Revenue Subcommittee Meeting Minutes
Governor's Cabinet Meeting and Conference Room
February 7, 2013
10:00 am

Commission Members in attendance:

Bob Orders, Revenue Subcommittee Chairman

Senator Mike Hall	Senator Bob Beach	Delegate Margaret Staggers
Delegate Ron Walters	Secretary Paul Mattox	Mayor Dick Callaway
Commissioner Mike Taylor	Joe Deneault	Jan Vinyard
Brenda Nichols Harper	Karen Price	Gary Tillis
Fred Burns	Carol Fulks	David Satterfield
Charles Clements	Kenny Perdue	

Revenue Subcommittee Chairman Bob Orders called the meeting to order and called upon Joe Deneault to introduce guest speakers Pete Rahn and Jim Ely, both representing HNTB.

Mr. Rahn gave "Toll Facilities - Where Do They Fit in Transportation" presentation. Printed materials were distributed to Subcommittee members.

Mr. Ely gave "What's Happening in Transportation around the United States" presentation. Printed materials were distributed to Subcommittee members.

Printed copies of State Highway Funding Proposals, Highway Funding Initiatives, Taxes per Vehicle, Current Revenue Streams, New Revenue Options, DOH Cost Reduction Options, Adjacent State DMV Comparison, DMV Costs, State Fuel Tax Summary, and Gasoline Tax Map were presented to the Subcommittee.

Chairman Orders thanked individuals involved in compiling the requested information.

Chairman Orders explained that the task of the Revenue Subcommittee is to produce a scheme of revenue for the State Road Fund and submit that scheme to the full Commission for their approval or rejection.

Chairman Orders opened the floor for discussion on all other printed materials requested by and presented to the Subcommittee.

Fred Burns suggested the cessation of funds diverted away from roadway construction/maintenance, such as bike paths. He also called for the Division of Highways to find more efficiency within the agency.

Delegate Walters requested information on bonds issued by the Department of Transportation and requested to know when those bonds would be paid off.

Fred Burns asked that Revenue Subcommittee consider what action should be taken when the bonds are paid off on the West Virginia Turnpike.

Joe Deneault stated that some of the information about the Turnpike was submitted to the Infrastructure Committee.

Senator Hall requested the audited statement of the Parkways Authority.

Carol Fulks requested that the Revenue Subcommittee primarily focus on a funding level to meet the maintenance need identified by the Infrastructure Committee.

Brenda Nichols Harper expressed her concern that the Subcommittee was tasked with establishing a funding level that is impossible to meet. She expressed her concern that if the Subcommittee was charged with coming up with all of the recommended funding, instead of a portion, that the Subcommittee would fail.

Infrastructure Committee Chairman Joe Deneault expressed that just because the charge of meeting that funding level is great, doesn't mean that the needs do not exist.

Joe Deneault reminded the Subcommittee that financing methods, such as bonding, are not the same as funding.

Delegate Walters questioned that if any new miles were built using tolls, how would that reduce the funding need.

Secretary Mattox answered that the particular issue has not been studied. The Secretary stated that for any new construction project using tolling, the Department of Transportation would expect tolling to generate at least 30% of the cost of project construction.

Joe Deneault advocated that the West Virginia Turnpike is a state asset and should be preserved.

Chairman Orders reminded the committee that the need of the highway system – for maintenance and expansion – does not change, even if it is a difficult charge to fund those needs.

Fred Burns encouraged the Subcommittee to carefully consider the funding level because it will dictate the future of the West Virginia highway system. He stated that the funding issue is not unique to West Virginia; that many states around the nation have formed such Commissions.

Chairman Orders asked members to submit what they felt would be the most viable revenue generating methods at the next Subcommittee meeting.

Senator Beach stated that he feels the public will set the final funding numbers to recommend to Governor Tomblin; that what the Revenue Subcommittee recommends and what the public is willing to support may differ.

Joe Deneault stated that the difficulty facing the Subcommittee is deciding whether maintenance of the existing system should take precedence over system expansion, acknowledging how critical infrastructure is to economic development.

Fred Burns encouraged the Subcommittee to be realistic; that if the Subcommittee could not fully fund the need for maintenance and expansion, to look for ways to gradually generate revenue in the future.

Charles Clements stated that a viable funding option could be the implementation of a natural gas severance tax.

Chairman Orders requested information on the coal severance and oil and gas severance tax.

Delegate Walters requested a detailed version of the same information.

Chairman Orders asked the Subcommittee to come back to the next meeting with reasonable fee changes. He asked that each member come up with ten items, but stated that if a member only felt one option is viable, that would be acceptable.

Jan Vineyard requested information on personal and real property tax.

Chairman Orders reiterated the need with which the Subcommittee is faced.

Delegate Staggers requested the amount of revenue that would have been generated if the DMV fee increases had passed the last legislative session.

Chairman Orders recommended that the Subcommittee consider the existing State Road Fund revenue streams and consider

Joe Deneault announced West Virginians for Better Transportation's Transportation Day at the Legislature would be held on February 14 and encouraged all Subcommittee members to attend.

There was an option for public comment. No comments were made.

Motion by Joe Deneault to adjourn was made, and Jan Vineyard seconded the motion; the motion was passed unanimously.