

MINUTES OF THE JOINT COMMITTEE OF HOUSE TAXATION  
AND TRANSPORTATION COMMITTEES

The Joint meeting of the House and Senate Transportation and House Taxation and Senate Assessment and Taxation was called to order by Chairman Kenny Wilk at 9:00 A.M., Room 313-S on January 28, 2008 in Room 519-S of the Capitol.

All Taxation members were present.

Taxation Committee staff present:

Chris Courtwright, Legislative Research Department  
Gordon Self, Office of Revisor of Statutes  
Ryan Hoffman, Legislative Research Department  
Scott Wells, Office of Revisor of Statutes  
Betty Boaz, House Transportation Committee Assistant

Conferees appearing before the committee:

Michael D. Meyer, P.E., Georgia Institute of Technology  
Janet F. Kavinsky, Director of Transportation Infrastructure at the U.S. Chamber of Commerce & Executive Director of the Americans for Transportation Mobility Coalition  
Deb Miller, Secretary of Transportation

Others attending:

See attached list.

Representative Kenny Wilk, Chairman of Taxation Committee, said the idea of this meeting started last fall when he approached Secretary Miller regarding how fuel taxes were being collected and the amount collected. He introduced Senator Donovan.

Senator Donovan, Chairman of Senate Transportation Committee, stated that the laws just passed in congress require more fuel economy for vehicles producing fuel tax revenues. He said it was no secret that federal funds for building roads and bridges is basically broke. He stated the requirement of better fuel economy will result in less tax collected. Alternative ways to fund our programs need to be addressed.

Representative Hayzlett, Chairman of House Transportation Committee, said in 2007 he, along with Vice-Chairman Peck, and Representative Long, went to Washington, D.C. and met with the U.S. Secretary of Transportation. Their discussions were on declining revenues and the impact of that lost revenue.

Representative Wilk introduced Secretary of Transportation, Deb Miller. She introduced Michael D. Meyer, P.E., from the Georgia Institute of Technology. Dr. Meyer presented a power-point presentation on the "*Long Term Viability of the Petroleum-based Motor Fuel Tax*" ([Attachment 1](#)).

Topics discussed by Dr. Meyer included: highway and street construction costs from 1997 - 2007; dependence on transport fuels in North America; taxes supporting the Highway Trust Fund; competition of world demand on oil; petroleum production, imports; and consumption in the U.S. from 1949 - 2006; vehicle and fuel technologies, and the potential impacts of higher oil prices and fuel economy standards on gross motor fuel tax revenues.

Dr. Meyer stated that fuel consumption per mile could decline 20 percent by 2025. He said the present finance system can remain viable for at least another 15 years. He also stated that, while there is a growing consensus that alternatives to the fuel tax may be necessary in about 20 years, the fuel tax should remain an important component of surface transportation finance until viable alternatives are found.

Upon conclusion of Dr. Meyer's presentation, Secretary Miller introduced Janet F. Kavinsky, Director of Transportation Infrastructure at the U.S. Chamber of Commerce and Executive Director of the Americans for Transportation Mobility Coalition.

Ms. Kavinsky stated that over the past several months, the nation has seen abundant evidence that America's infrastructure is not only showing its age, but showing that it lacks capacity to handle the volume of people and goods moving today. She said the infrastructure cannot be treated like other problems or

## CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on January 28, 2008 in Room 519-S of the Capitol.

programs where you can wait until the very last minute and then write a big check. Infrastructure projects require foresight and years of careful planning.

Ms. Kavinoky's testimony covered three topics: 1) The role of transportation in our economy; 2) What is at stake from the business community's perspective and, 3) What should be done. According to Ms. Kavinoky, the Chamber believes the next era in surface transportation requires a multi-modal and inter-modal vision that supports competition in the global economy and emphasizes the important role of the federal government ([Attachment 2](#)).

Ms. Kavinoky said we need a national plan and quoted House Committee on Transportation and Infrastructure Member John Mica, "The federal government must take a lead role in developing a national strategic transportation plan for the next 50 years that makes the most efficient use of every transportation mode and incorporates the expertise and resources of both private and public sectors." Ms. Kavinoky went on to say a Highway Trust Fund shortfall is expected in fiscal year 2009. It is forecasted that revenues for the Highway Account will fall short of meeting the \$223 billion commitment by between \$4.3 and \$5.0 billion during FY 2009. In conclusion Mr. Kavinoky provided four key goals: 1) Document the problem with solid, indisputable research; 2) Educate Americans about the benefits of infrastructure and the cost of failure; 3) Spur private investment in infrastructure, and 4) Foster an honest dialogue on public financing.

Upon completion of Ms. Kavinoky's testimony, Deb Miller spoke to the Committees. Secretary Miller testified about the sources of funding, the motor fuel tax receipts (the original forecast compared to actual receipts), motor fuels tax - how Kansas compares to the national average and regional average, the projected revenues that don't keep up with inflation and the impact of inflation on revenues ([Attachment 3](#)).

Chairman Wilk thanked Dr. Meyer, Ms. Kavinoky and Secretary Miller for appearing before the Joint Committee. Secretary Miller will return tomorrow to the House Taxation Committee for a continuation of this discussion.

The meeting adjourned at 10: 55 a.m. The next meeting is January 29, 2008.