



ISSUE BRIEF

Road Usage Charge / Pay by Mile Tax / Mileage Based User Fee

Key facts

- Some Republicans in Congress are promoting a transition to a road usage charge at the federal level, looking to adopt and learn from the work that States have done on this topic. (See 116 Congress, [H.R. 7248](#) Section 607)
- Estimated vehicle miles travelled for FY 2020 in Washington was 56.593 billion.
- The transportation budget is deficit funding and does not have sufficient resources to provide for maintenance and preservation adequately - a \$10.4 billion budget and only \$5.7 billion in state revenue.

The debate

The Transportation Commission, as directed by the Legislature, has been investigating a road usage charge (RUC) to replace the state portion of the \$0.494 gas tax. In recent years, the legislature has been authorizing the commission to apply for grant funding to further their investigation instead of providing state funding. By doing this, the legislature released its control of the conversation to the commission and the federal government. In July, the commission received a \$5.525 million federal grant which will allow them to conduct a test of new mileage reporting methods and expand their exploration of equity policies, as well as collecting RUC from Uber and Lyft and other ride share vehicles.

Many constituents are against such a policy for numerous reasons with the top issues being the tracking of their vehicle and ultimately paying more than they currently do. Rural drivers feel that they will be taken advantage of because they tend to drive farther on roads that cost significantly less to build than urban areas.

Background

The Transportation Commission has convened a steering committee to provide feedback to staff and the consultants as the commission investigates a transition to a road usage charge. Rep. Orcutt has served on the steering committee from the beginning, and Rep. Barkis recently joined. The original direction to the Transportation Commission was that the transition to a road usage charge would be revenue neutral to replace the gas tax, not be in addition to it.

Circumstances and political inclinations have put this concept under attack. Special interest groups keep seeking to expand how such revenues could be used, gaining some support from well-positioned officials and staff. Many people would like to make it explicit that road usage charge revenues be protected the same way as a gas tax and be used for highway purposes only. The commission made such a recommendation in December 2019.

- Here is the [Transportation Commission's website](#) on RUC: <https://waroadusagecharge.org/>.
- Here is the [link](#) to the July 2019 Issue Brief that can be found on HRCInsight.
- Here is the [link](#) to the November 2016 Issue Brief that can be found on HRCInsight.
- Mariya Frost with [Washington Policy Center](#) has written extensively on this topic.

What to expect in the 2021 session

From the governor and other Democrats, there could be the following proposals:

- Senator Saldana's [SB 6586 \(2020\)](#) would charge a 0.035 cent per mile fee on electric vehicles and 0.02 cents per mile for a hybrid electric vehicle starting July 1, 2024. It would repeal the electric vehicle registration fee.

- There will be increased discussion on this topic because California's Governor issued a proclamation that only electric vehicles will be sold in California starting in 2035. Washington's Department of Ecology is directed in statute to follow California's programs on this topic, yet they have to do it by adopting rules.
- I would expect budget provisos giving direction to the Transportation Commission that are influenced by their stakeholders in a way to open the door to shifting of funds.

From Republicans, expect to see proposals to:

- Rep. Young has offered bills to prevent a road usage charge being collected in addition to the gas tax.
- Rep. Young has offered bills to make clear a road usage charge is protected by the 18th Amendment.

Concepts for discussion for Republicans to promote:

- What about a bill that makes all information from vehicle owners acquired in implementing a road usage charge be exempt from disclosure under the Public Records Act?
- What about floating concepts for the Transportation Commission to consider, like keeping the gas tax and making a road usage charge only go towards preservation and maintenance of existing road infrastructure?
- To address the rural-urban inequity, direct the Transportation Commission to consider options that geofence locations so that rural areas with less complex roads are charged less than urban areas where infrastructure costs more. For example, I-5 that requires 20 feet of concrete could be charged more than SR 97 that is merely asphalt. Consider basing the tax on the infrastructure cost in the area. Roads with no streetlights, stop lights, and sidewalks are far cheaper to build and maintain.
- Direct the Transportation Commission to add to their analysis how to collect a local and federal charge.
- Are there ways in the operating budget and transportation budget to encourage development of technology so that a machine could talk to the car and get a reading of miles travelled?
- During equity discussions, show case the benefits of a rural life style providing the ability of families to own a home, not just rent; have a car, not just rely on public transportation. Equitable solutions ought to be tailored to benefit low-income families and people of color in rural areas, not just cities.

Stakeholders

- Mike Ennis with [Association of Washington Business](#)
- Mariya Frost with [Washington Policy Center](#)
- Sheri Call with [Washington Trucking Association](#) - Commercial vehicles have not been a part of the Washington discussion but they are paying attention now due to the federal interest in the debate.
- Public transit organizations that want access to such funding.
- Any organization currently receiving gas tax revenues, including cities, counties, and numerous non-profits.
- Technology companies that are developing devices and apps that track driving patterns.
- Insurance companies as a potential third-party collector of a road usage charge.

Additional information

- WA Transportation Secretary Millar is co-chair of the [Western Road Usage Charge Consortium](#).
- The [Mileage Based User Fee Alliance](#) did a commercial truck pilot project - <https://tetcoalitionmbuf.org/findings/>
- Hawaii Road Usage Charge Demonstration - <https://hiruc.org/>
- Oregon's had the longest running road usage charge experiment - <https://www.myorego.org/>
- California Transportation Commission RUC committee - <https://catc.ca.gov/committees/road-charge>