



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

SB-339 Vehicles: road usage charge pilot program. (2021-2022)

SHARE THIS:  

Date Published: 09/27/2021 09:00 PM

Senate Bill No. 339

CHAPTER 308

An act to amend Section 3093 of, and to add Section 3092.5 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 24, 2021. Filed with Secretary of State September 24, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 339, Wiener. Vehicles: road usage charge pilot program.

Existing law requires the Chair of the California Transportation Commission to create a Road Usage Charge (RUC) Technical Advisory Committee in consultation with the Secretary of Transportation. Under existing law, the purpose of the technical advisory committee is to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection as an alternative to the gas tax system. Existing law requires the technical advisory committee to study RUC alternatives to the gas tax, gather public comment on issues and concerns related to the pilot program, and make recommendations to the Secretary of Transportation on the design of a pilot program, as specified. Existing law repeals these provisions on January 1, 2023.

This bill would extend the operation of these provisions until January 1, 2027. The bill would require the Transportation Agency, in consultation with the California Transportation Commission, to implement a pilot program to identify and evaluate issues related to the collection of revenue for a road charge program, as specified. The bill would require the RUC Technical Advisory Committee to make recommendations to the Transportation Agency on the design of the pilot program, including the group of vehicles to participate. The bill would require that if a group of vehicles other than state-owned vehicles is selected, that participation in the program be voluntary. The bill would require the Transportation Agency to consult with appropriate state agencies to implement the pilot program and to design a process for collecting road charge revenue from vehicles. The bill would require that participants in the program be charged a mileage-based fee, as specified, and receive a credit or a refund for fuel taxes or electric vehicle fees, as specified. The bill would require that the pilot program not affect funding levels for a program or purpose supported by state fuel tax and electric vehicle fee revenues. The bill would require the Transportation Agency to submit reports to the Legislature, as specified.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) In 2014, the Legislature passed Senate Bill 1077 (Chapter 835 of the Statutes of 2014), which created a Road Usage Charge Technical Advisory Committee to guide the development and evaluation of a pilot program to assess the potential for a mileage-based financing mechanism for California's roads and highways as an alternative to the gas tax system.

(b) In 2017, California completed the pilot program, which enrolled more than 5,000 vehicles that reported in excess of 37,000,000 miles over a nine-month period.

(c) The pilot program confirmed the viability of many aspects of a mileage-based financing mechanism but did not test the actual collection of revenue. The collection of revenue was simulated in the pilot program through mock invoices and payments.

(d) The testing of revenue collection was identified as a next step in the Transportation Agency's 2017 Final Report on the pilot program. Taking this next step would allow California to evaluate revenue flows and allow for the identification of challenges, efficiencies, and synergies for future road charge implementation.

(e) The Final Report also concluded that, depending on how a road charge program is designed, there could be a number of state agencies and departments involved in the revenue collection process.

(f) California's progress toward developing and implementing a mileage-based financing mechanism has been heightened with the issuance of Executive Order No. N-79-20, in September 2020, which requires a complete transition to a fully zero-emission new vehicle state auto market by 2035.

(g) A recent analysis by the Mineta Transportation Institute suggests that increasing zero-emission vehicle deployment and reducing vehicle miles traveled could reduce transportation revenues to the state by as much as \$1 billion annually as early as 2025, and by as much as \$2 billion annually as early as 2030.

SEC. 2. Section 3092.5 is added to the Vehicle Code, to read:

3092.5. (a) Commencing on or after January 1, 2023, the Transportation Agency, in consultation with the California Transportation Commission, shall implement a pilot program to identify and evaluate issues related to the collection of revenue for a road charge program.

(b) The Road Usage Charge Technical Advisory Committee shall, by no later than July 1, 2023, make recommendations to the Transportation Agency on the design of the pilot program to test revenue collection, including the group of vehicles to participate in the pilot.

(1) In deciding which group of vehicles to recommend for the pilot, the committee shall consider input from industry experts and relevant stakeholders.

(2) If a vehicle group other than state-owned vehicles is selected, participation in the pilot shall be voluntary.

(3) The committee may make recommendations on the criteria to be used to evaluate the pilot program.

(c) The Transportation Agency shall consult with appropriate state agencies, which may include, but are not limited to, the Department of Transportation, the Department of Motor Vehicles, the California Department of Tax and Fee Administration, and the Controller to design a process for collecting road charge revenue from vehicles. The road charge may be collected by the Transportation Agency or by any entities or persons designated by the agency.

(d) Participants in the pilot program shall be charged a mileage-based fee as specified in subdivision (e), and receive a credit or a refund for the estimated state fuel taxes and electric vehicle fees paid to operate a vehicle during the pilot. The credit or refund for electric vehicle fees described in Section 9250.6, which are paid annually, shall be prorated.

(e) For purposes of calculating the mileage-based fee, participating vehicles shall be equally subdivided and randomly assigned to one of two study groups. One group will be subject to a fee per mile traveled, determined by the committee no later than July 1, 2023, that will be the same for all vehicles in that group. The other group will be subject to an individually calculated fee per mile traveled, that is equal to the state per-gallon fuel tax divided by the United States Environmental Protection Agency's estimated fuel economy rating for that vehicle based on the manufacturer, model, and year of the vehicle.

(f) The pilot program shall not affect funding levels for each program or purpose supported by state fuel tax and electric vehicle fee revenues.

(g) Paragraphs (2) and (3) of subdivision (b) and subdivision (c) of Section 3091 shall apply to the pilot program.

(h) The Transportation Agency, in consultation with the California Transportation Commission and the committee, shall, by no later than July 1, 2024, prepare and submit an interim report on the status of the pilot program, and by no later than December 31, 2026, the Transportation Agency, in consultation with the California Transportation Commission and the committee, shall prepare and submit a final report of its findings based on the results of the pilot program, to the appropriate policy and fiscal committees of the Legislature. The final report shall include, but not be limited to, a discussion of costs and implementation issues, and an evaluation and comparison of the two fee-calculation methodologies described in subdivision (e), including the effectiveness of those methodologies in ensuring sustainable funding for transportation and their alignment with the state's

climate, air quality, zero-emissions vehicle, and equity goals. The reports required by this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 3. Section 3093 of the Vehicle Code is amended to read:

3093. This chapter shall remain in effect only until January 1, 2027, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2027, deletes or extends that date.