



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

AB-1421 Vehicles: Road Usage Charge Technical Advisory Committee. (2025-2026)

SHARE THIS:  

Date Published: 02/21/2025 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 1421

Introduced by Assembly Member Wilson

February 21, 2025

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1421, as introduced, Wilson. Vehicles: Road Usage Charge Technical Advisory Committee.

Existing law requires the Chair of the California Transportation Commission to create a Road Usage Charge Technical Advisory Committee in consultation with the Secretary of Transportation to guide the development and evaluation of a pilot program assessing the potential for mileage-based revenue collection as an alternative to the gas tax system. Existing law additionally requires the Transportation Agency, in consultation with the commission, to implement the pilot program, as specified. Existing law repeals these provisions on January 1, 2027.

This bill would extend the operation of the above-described provisions until January 1, 2035. The bill would also make related findings and declaration.

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) State funding for transportation comes mainly from six different fuel taxes and vehicle fees dedicated to specific purposes. These sources generated about \$14,000,000,000 in the 2023–24 fiscal year.

(b) The gasoline excise tax is by far the largest of these charges. The tax is 57.9 cents per gallon and generated about \$7,800,000,000 in fiscal year 2023–24.

(c) California relies on gasoline and diesel tax revenue to build and maintain its highways, public transit, and other transportation infrastructure, which is a problem in a state aggressively pushing a transition to electric vehicles (EVs).

(d) Since the passage of Senate Bill 1 (Chapter 5, Statutes of 2017), gas taxes have begun to lag, in large part due to Californians adopting lower emission vehicles. The state's climate goals, including the switch to zero-emission vehicles (ZEVs) and reductions in statewide per capita vehicle miles traveled for light-duty vehicles, are projected to reduce fuel tax revenues in the coming years.

(e) California's gas revenues have steadily increased over the last decade as lawmakers hike tax rates, but that curve is projected to turn downwards as more drivers switch to EVs.

(f) Californians have purchased more than a million EVs in the last four years, according to the California Energy Commission. Those numbers will continue to increase as a result of the state's mandate for all new car sales to be ZEVs by 2035.

(g) The Legislative Analyst's Office projects revenues will decline by as much as \$2,000,000,000 annually by 2030 and up to \$4,000,000,000 annually by 2035. A study by the Mineta Transportation Institute estimated a reduction in revenues of between \$4,800,000,000 and \$12,100,000,000 by 2040.

(h) The California Transportation Commission projects that the state will collect \$31,300,000,000 less in fuel excise tax revenue due to increased fuel efficiency and the proliferation of ZEVs over the next decade.

(i) Collectively, various states and the federal government have undertaken research and exploration of possible revenue mechanisms to supplement or replace the fuel excise tax.

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

(k) In 2017, California completed the SB 1077 pilot program, which enrolled more than 5,000 vehicles that reported more than 37,000,000 miles over a nine-month period. Importantly, the collection of revenue was simulated in the pilot program through mock invoices and payments.

(l) The final pilot program report found further testing of the revenue collection processes should be the next step to undertake in order for California to evaluate revenue flows and identify challenges, efficiencies, and synergies for possible road user charge implementation.

(m) Presently, the state is analyzing the financial impacts of a road user charge on supercommuters, as well as additional engagement with rural communities and tribal nations to better inform constituencies on a road charge concept.

(n) The benefit of a road use charge is that it could be structured to provide gas tax relief to low-income drivers.

(o) Implementing a road use charge in a way that appeals to both low- and moderate-income households and urban and rural communities across the state's diverse geography will require significant education, negotiation, and compromise.

SEC. 2. Section 3093 of the Vehicle Code is amended to read:

3093. This chapter shall remain in effect only until January 1, ~~2027~~, 2035, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2027~~, 2035, deletes or extends that date.