



California Road Charge



4 Issues with the Gas Tax



- ▶ **1. FUEL EFFICIENCY GAINS**
Gas-powered vehicles are becoming more fuel efficient, so owners are buying less gas and government receives less fuel tax.
- ▶ **2. INCREASE IN ZERO EMISSION VEHICLES**
Vehicles that do not use gas, such as electric vehicles, do not pay any fuel taxes.
- ▶ **3. INFLATION AND LOSS OF PURCHASE POWER**
Ongoing inflation reduces how much a static gas tax can purchase. In addition, highway construction costs typically increase faster than overall inflation.
- ▶ **4. UNEVEN FUEL TAX BURDEN**
Newer and more expensive vehicles tend to be more fuel efficient. Owners of older, less fuel-efficient vehicles pay more to use the road. The fuel tax burden is uneven and inequitable.



What is a Road Charge?

Road Charge is an innovative funding mechanism intended to replace the current gas tax, and more accurately ensures that all drivers are paying their fair share to use the road. Road Charge allows drivers to support local road and highway maintenance based on how many miles they drive, instead of how many gallons of gas they use.

California is studying Road Charge as:

- ▶ A replacement for the gas tax
- ▶ One per mile rate for all passenger vehicles
- ▶ Revenue neutral, not a tax increase
- ▶ Aims to stabilize funding, not change behavior
- ▶ No change in how funding is spent: existing formulas and programs remain



What drivers pay under the Gas Tax

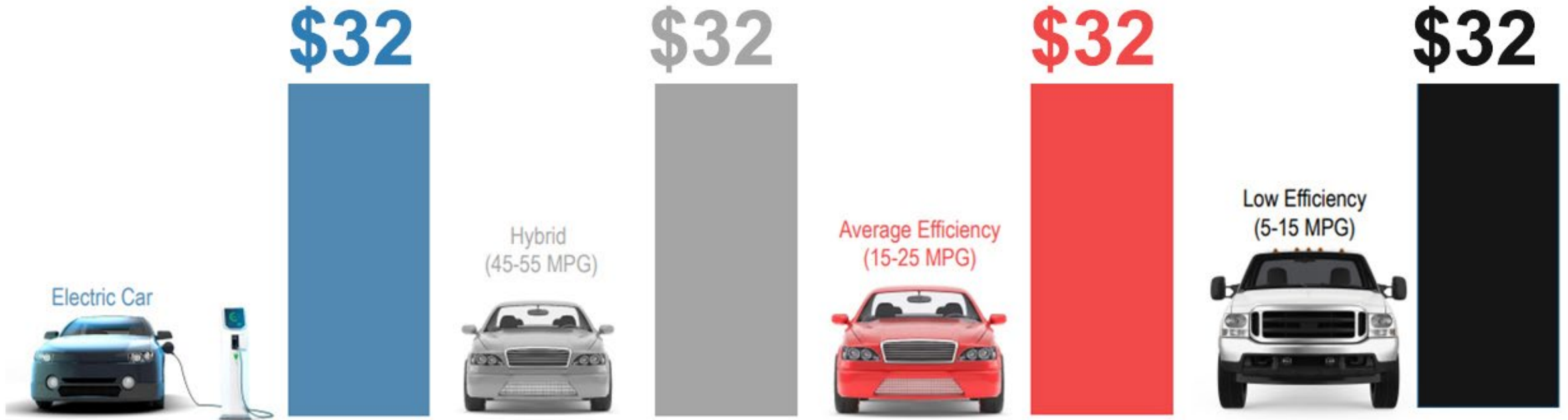
Ex: Monthly fuel-tax paid for 1,250 Miles Driven



* \$102 Road Improvement Fee is assessed on all model year 2020 and later zero emission vehicles

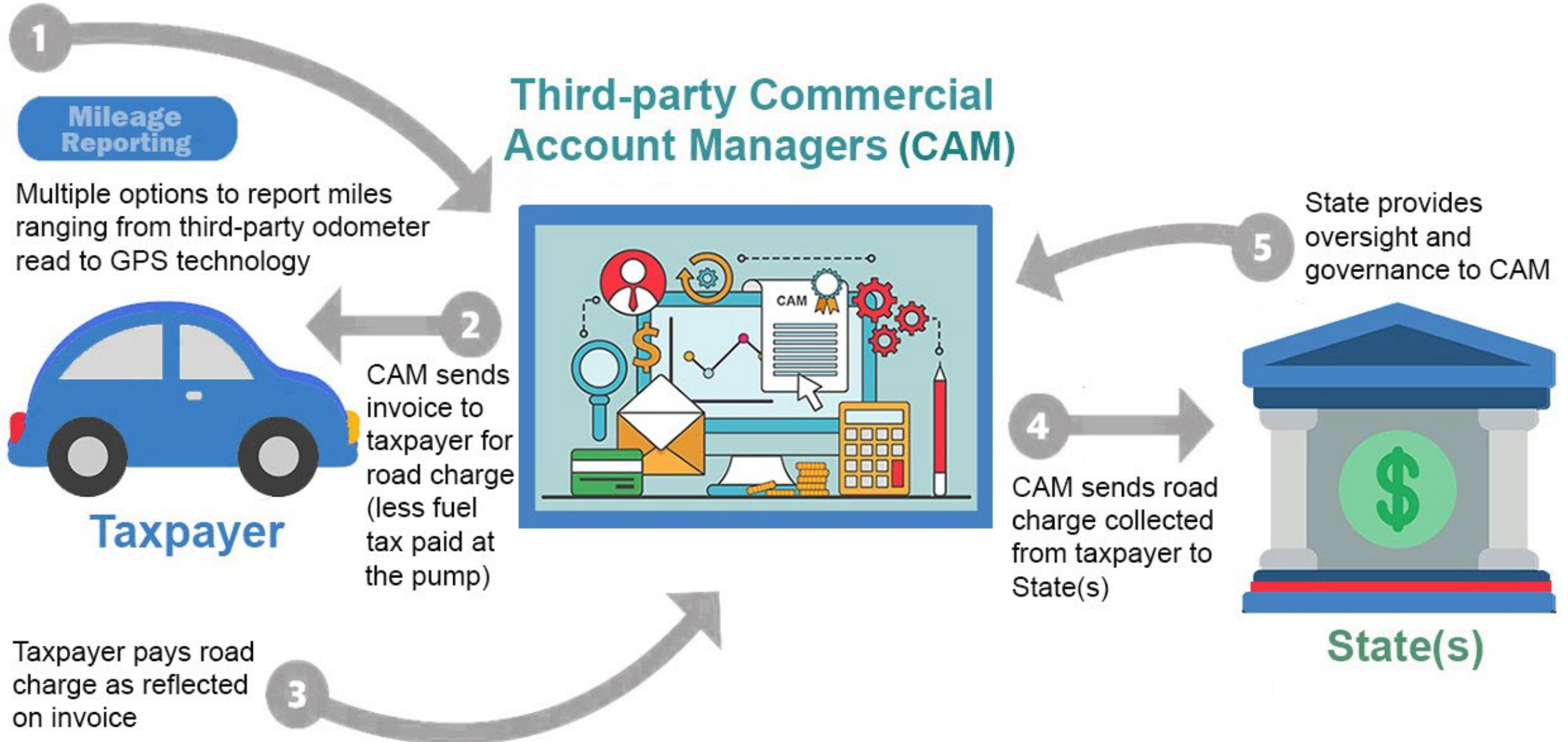
What drivers pay under Road Charge

Ex: Monthly fuel-tax paid for 1,250 Miles Driven



Calculated at 2.5 cents per mile, \$31.25 round to \$32

Road Charge System Structure



Mileage Reporting Methods



Low Technology Options

 Time Permit

 Mileage Permit

 Odometer Charge

High Technology Options

 Plug-in Device

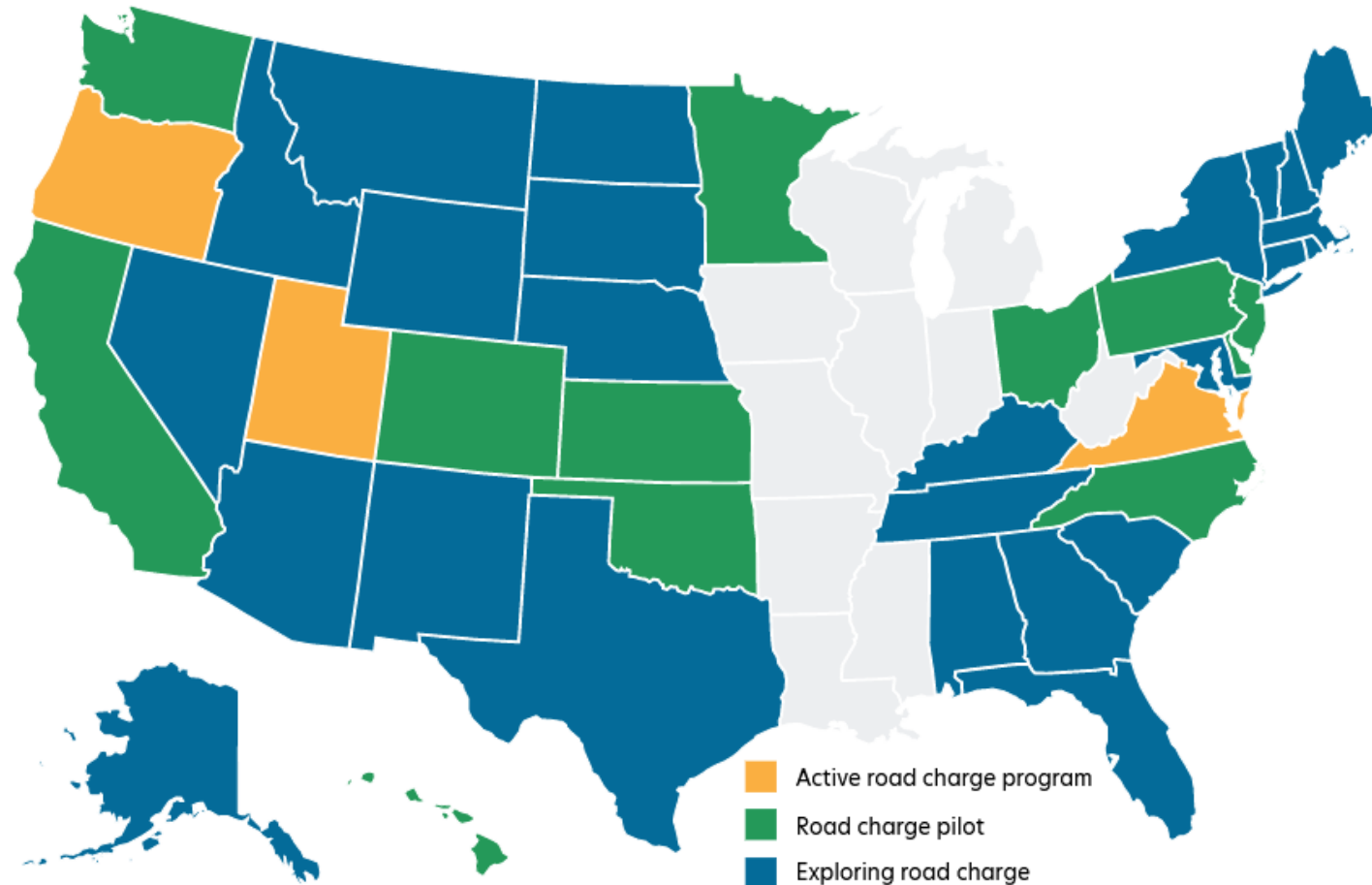
 Smartphone App

 Built-In Technology



The National Picture

States across the United States are exploring road charge as a viable option. Select any state on the map below to be directed to that state's road charge website and play road charge videos from other states.



In addition, several nations around the world have implemented distance-based charging including Belgium, Germany, and New Zealand, and many other nations are considering this option.



Road Charge Pilot Studies by Caltrans

California's 2017 Pilot



- General Feasibility
- Areas of Future Study

SB 1077 (2014)



Four-Phase Demonstration 2021



- User Experience
- Clearinghouse
- Communications Research

Federal Grant (STSFA)



Public/Private Roads Project 2023



- Technical Test of GPS
- Conversations with Key Stakeholder Groups
- Communications Research

Federal Grant (STSFA)



Revenue Collection Pilot 2024



- Test of Revenue Flow and Administrative Processes
- Communications Research

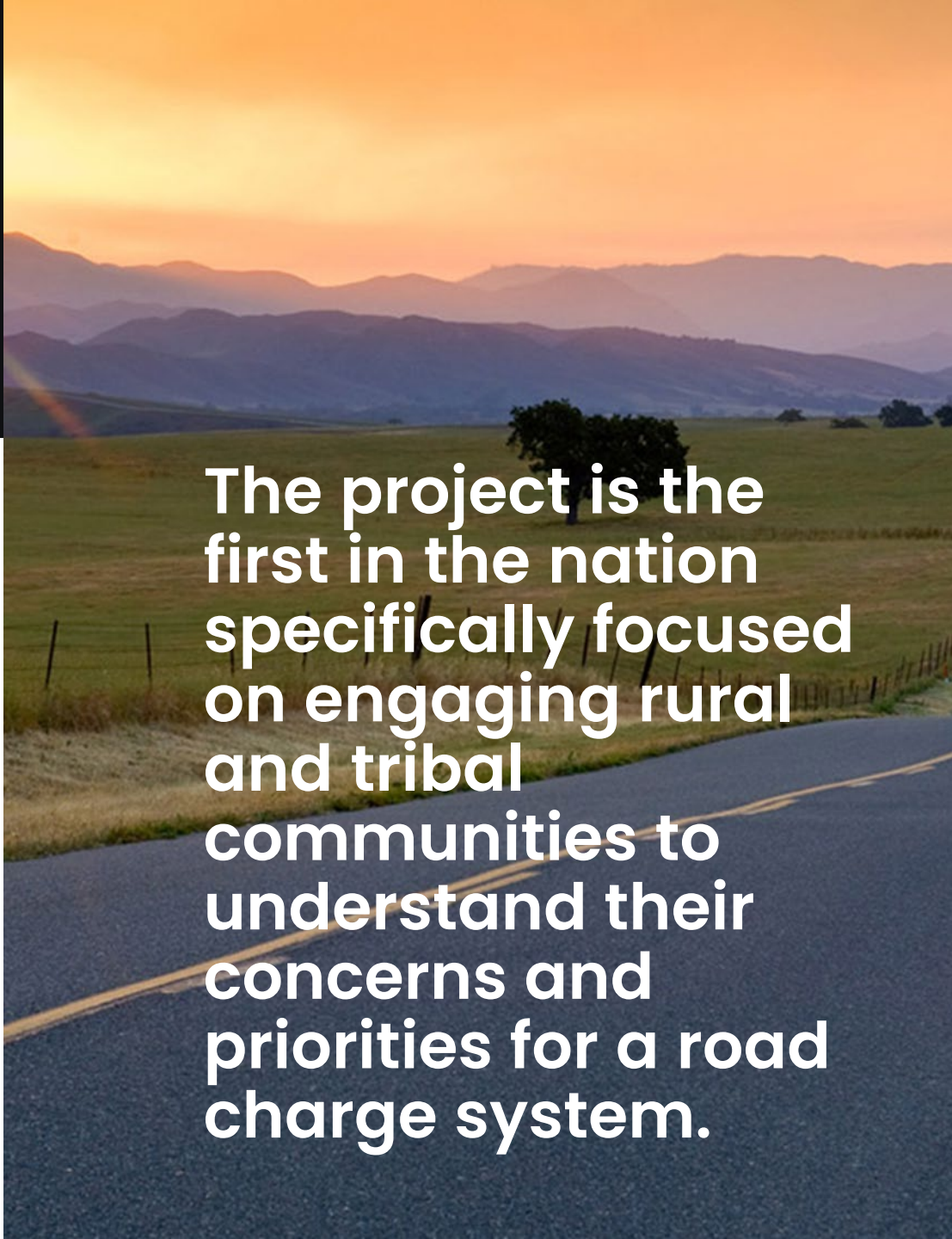
SB 339 (2021)



Public/Private Roads Project

This project will explore the ability of current GPS technology to differentiate between public and private roads in a road charge system.

Live in March 2023.




The project is the first in the nation specifically focused on engaging rural and tribal communities to understand their concerns and priorities for a road charge system.

What does Road Charge mean for the Rural Community?

- ▶ Potential to lower taxes for rural drivers
- ▶ Potential to decrease volatility in diesel prices
- ▶ Potential to avoid charges on private property
- ▶ How might it impact bulk fuel purchases?
- ▶ How might it impact dyed fuel use? Use of mixed fuels, propane, etc.?
- ▶ How might it impact freight rates?
- ▶ Other important impacts?



A scenic landscape at sunset. A paved road with double yellow lines winds through a green field towards a range of mountains. A large, dark tree stands in the middle ground. The sun is low on the horizon, creating a warm orange and yellow glow. A large, semi-transparent white circle is overlaid on the left side of the image, containing text.

Help us recruit!

- ▶ Spread the word about participating in our upcoming pilot and earning up to **\$250**

- ▶ Community Group Meetings



Questions?

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