
Transportation Committee

HB 1832

Brief Description: Implementing a per mile charge on vehicle usage of public roadways.

Sponsors: Representatives Fey, Mena, Doglio and Ramel.

Brief Summary of Bill

- Establishes a voluntary Road Usage Charge Program (RUC Program) beginning July 1, 2025, which places a 2.5 cent per mile fee on motor vehicle usage of public roadways in the state.
- Waives the electric and hybrid-electric vehicle registration renewal fees and the transportation electrification fees for vehicles participating in the voluntary RUC Program.
- Limits the total per-mile fee for electric and hybrid-electric vehicles to the combined amount of electric and hybrid-electric vehicle registration renewal and transportation electrification fees that would otherwise be due if they had not been waived.
- Reduces the annual per-mile fee by a fee credit in the amount of the motor vehicle fuel tax that is determined by the Department of Licensing, either constructively or actually, to correspond to a participating vehicle's annual motor vehicle fuel usage.
- Requires that the Washington State Transportation Commission pursue federal grant funding opportunities for which the RUC Program is eligible.
- Mandates that proceeds from the RUC Program be used for transportation system preservation and maintenance purposes.
- Sets January 1, 2030 as the target date for implementation of a comprehensive, mandatory RUC Program.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Hearing Date: 2/21/23

Staff: Jennifer Harris (786-7143).

Background:

Road Usage Charge Pilot.

Beginning in 2018, the Washington State Transportation Commission (Transportation Commission) conducted a Road Usage Charge (RUC) pilot project with approximately 2,000 participating drivers who evaluated a variety of methods of reporting miles and provided feedback on them. In January 2020, the Transportation Commission submitted its final report and recommendations to the Governor, the Legislature, and the Federal Highway Administration. The final report provided information on the legal, fiscal, operational, and policy implications of a RUC and offered recommendations on how a RUC could be implemented in Washington. One of the recommendations of the Transportation Commission was that the Legislature enact a RUC system applicable to a small number of vehicles as part of a longer-term transition away from the gas tax.

In July 2020, the US Department of Transportation awarded the Transportation Commission a \$5.5 million federal grant to conduct additional research and testing of a RUC. This work was initiated in October 2020 and has an expected completion date by the end of this year.

Electric and Hybrid Vehicle Registration Fees.

In addition to any other fees due at annual vehicle registration renewal, an electric or hybrid vehicle using at least one method of propulsion that is capable of being reenergized by an external source of electricity and is capable of traveling at least 30 miles using only battery power powered by electricity, are subject to two electric vehicle fees that total \$150. The first fee is \$100 and is deposited into the Motor Vehicle Fund, up to \$1 million annually. If in any year the amount collected exceeds \$1 million, the excess amount is distributed as follows: (a) 70 percent to the Motor Vehicle Fund; (b) 15 percent to the Transportation Improvement Account; and (c) 15 percent to the Rural Arterial Trust Account.

The second electric and hybrid vehicle registration fee is \$50. The first \$1 million raised by the fee must be deposited into the Multimodal Transportation Account. Any remaining amounts must be deposited into the Motor Vehicle Fund. The \$1 million threshold was reached in November 2017, and fee revenues from the \$50 fee are currently deposited into the Motor Vehicle Fund.

These fees apply to annual vehicle registration renewals until the effective date of enacted legislation that imposes a vehicle miles traveled fee or tax.

Other Electric and Hybrid Vehicle Fees.

An annual \$75 transportation electrification fee is imposed at the time of vehicle registration renewal on an electric or hybrid-electric vehicle using at least one method of propulsion capable

of being reenergized by an external source of electricity and is capable of traveling at least 30 miles using only battery power.

An annual \$75 hybrid-electric vehicle transportation electrification fee is imposed on hybrid-electric and alternative fuel vehicles that do not pay the electric vehicle fee or the transportation electrification fee. This fee is collected at the time of vehicle registration renewal.

Revenues collected from the transportation electrification fee and the hybrid-electric vehicle transportation electrification fees are deposited in the Electric Vehicle Account until July 1, 2025, after which time, revenues must be deposited in the Motor Vehicle Fund.

Summary of Bill:

Voluntary Road Usage Charge Program and Fees.

A voluntary Road Usage Charge (RUC Program) is established beginning July 1, 2025, which places a per mile fee on motor vehicle usage of public roadways in the state. The rate for the voluntary RUC Program is 2.5 cents per mile. Twelve months after enrolling a vehicle for the voluntary RUC Program, program participants are required to pay a RUC per-mile fee upon vehicle registration renewal.

The electric and hybrid-electric vehicle registration renewal fees and the transportation electrification fees are waived for vehicles participating in the voluntary RUC Program. For electric and hybrid-electric vehicles, the total per-mile fee may not exceed the combined amount of electric and hybrid-electric vehicle registration renewal and transportation electrification fees that would otherwise be due if the fees had not been waived.

The annual per-mile fee due is reduced by a fee credit in the amount of the motor vehicle fuel tax that is determined by the Department of Licensing (DOL) to correspond, either constructively or in actuality, to a vehicle's annual motor vehicle fuel usage. The fee credit is available solely to offset the RUC fee due based on applicable vehicle miles driven during the year the fee credit is earned and is non-refundable and non-transferable to future years of RUC Program participation.

The electric and hybrid-electric vehicle registration renewal fees apply to annual vehicle registration renewals until the effective date of enacted legislation that imposes a mandatory vehicle miles traveled fee or tax that is applied to all vehicles required to pay these fees.

Eligibility for the RUC Program is limited to motor vehicles registered for on-road use that are designed to have the capability to drive at a speed of more than 35 miles per hour and that have a gross vehicle weight rating of 10,000 pounds or less.

Voluntary Road Usage Charge Program Administration.

The DOL is required to implement and administer the voluntary RUC Program. The DOL must offer vehicle owners the option to report miles driven through the periodic submission of odometer mileage. The DOL may also offer vehicle owners the option of one or more automated

methods of reporting miles driven, and may certify one or more private sector service providers to administer these automated methods.

The DOL must establish a process for submission of documentation by RUC Program participants claiming a RUC fee exemption for vehicle miles driven on roadways that are not public roadways in the state.

The DOL may temporarily pause enrollment in the voluntary RUC Program if the DOL's capacity to effectively administer it is reached, as determined by the DOL, until the DOL is able to expand the DOL's capacity to accommodate a higher program enrollment level.

Prior to implementation of the voluntary RUC Program, the DOL, in consultation with the Transportation Commission, must design and execute a public outreach and education program.

Road Usage Charge Program Planning and Reporting.

The Transportation Commission, with participation from the DOL, is required to engage vehicle manufacturers to explore the possibility of vehicle manufacturers providing vehicle miles traveled information to the DOL that could meet RUC Program reporting requirements and report back to the Transportation Committees of the Legislature by December 1, 2024.

The DOL must provide a report to the Transportation Committees of the Legislature on the status of preparations for the voluntary RUC Program and recommendations on possible program enhancements by January 1, 2025, and must continue to report to the Transportation Committees of the Legislature on the voluntary RUC Program's status and recommendations for the program at least annually.

The Transportation Commission is required to pursue federal grant funding opportunities for which the voluntary RUC Program is eligible.

Voluntary Road Usage Charge and Privacy.

The collection of personally identifying information for the RUC Program is limited to what is necessary to properly calculate, report, and collect the per mile fee, unless the participating vehicle owner provides written consent for the collection of additional information. Per mile reporting methods may only record or report general location data if this method is selected by the vehicle owner with informed consent. General location data may not be reported to the state or any subdivision of the state.

The DOL and any per mile account manager has an affirmative public duty to:

- ensure that per mile information is protected with reasonable operational, administrative, technical, and physical safeguards to ensure its confidentiality and integrity;
- implement and maintain reasonable security procedures and practices in order to protect per mile information from unauthorized access, destruction, use, modification, or disclosure; and
- implement and maintain a usage and privacy policy to ensure that the collection of per

mile information is consistent with respect for individuals' privacy and civil liberties.

Personally identifying information of people who report their vehicle odometer mileage or any vehicle location information is exempt from public disclosure. This information may only be released to law enforcement agencies when the release is mandated by a court order.

Additional Road Usage Charge Program Information.

Proceeds from the voluntary RUC Program must be used for transportation system preservation and maintenance purposes and must be deposited in the Road Usage Charge Account. The Road Usage Charge Account is created as an appropriated account, expenditures from which may only be used for transportation system preservation and maintenance purposes.

The target date for implementation of a comprehensive, mandatory RUC Program is January 1, 2030.

Appropriation: None.

Fiscal Note: Requested on February 15, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.