

# Road Mileage-Based User Fees

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**NMDOT**

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Current Efforts and Future Opportunities: An Update  
Fifth Meeting of the Transportation Infrastructure Revenue Subcommittee  
November 5, 2019: State Capitol Room 322

**HM 77: Requesting the Department of Transportation to actively participate in the Western Road Usage Charge Consortium regional system definition and pilot planning project; and to propose legislation to implement a mileage-based user fee system in New Mexico**

- Address expected decrease in gasoline tax revenues due to increased fuel efficiency and use of alternative fuels
  - Capture revenue from hybrids and all-electric vehicles
  - Alternative or supplemental revenue collection
  - Emphasis on passenger vehicles
  - Analyze what is happening in other states
  - Consider federal funding opportunities
  - Actively participate in Road Usage Charge Consortium Organization
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# What is the Western Road Usage Charge Consortium

TAB A-1: fall 2019 quarterly steering committee meeting



## NEW PATHS TO ROAD FUNDING

RUC West is a leading authority on road usage charging in the United States. The membership includes 16 state transportation organizations who share resources to investigate road usage charging as an appropriate revenue collection method for their respective state.

The group formed to grow agency expertise, increase preparedness and collaborate on projects of mutual interest. RUC West offers participating agencies the opportunity to achieve economies of scale in their road usage charging projects or research by offering joint testing and evaluation over wide territories.

With a wealth of cooperative research, case studies and best practices, RUC West serves as central host for the latest information on road usage charging.

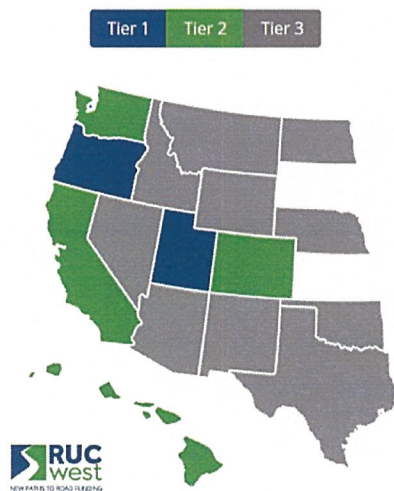
Visit [www.RUCWest.org](http://www.RUCWest.org) for project news and more details.

### AREAS OF WORK

- ✓ Technical research and development
  - ✓ Legal and policy issues
  - ✓ Research of fiscal and economic issues
  - ✓ Standards and certifications
  - ✓ Administrative and operational issues
  - ✓ Inter-jurisdictional concerns
  - ✓ Stakeholder outreach and communications
  - ✓ Platforms and operations for state or regional pilots
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# RUC West Membership and Participation

## RUC WEST MEMBER LEGEND



### OUR MEMBERS

**Tier 1:** Actively promoting road usage charging as an equitable road-funding solution (implementing a program)

- ❖ Oregon
- ❖ Utah

**Tier 2:** Conducting Research Pilot Projects for a RUC

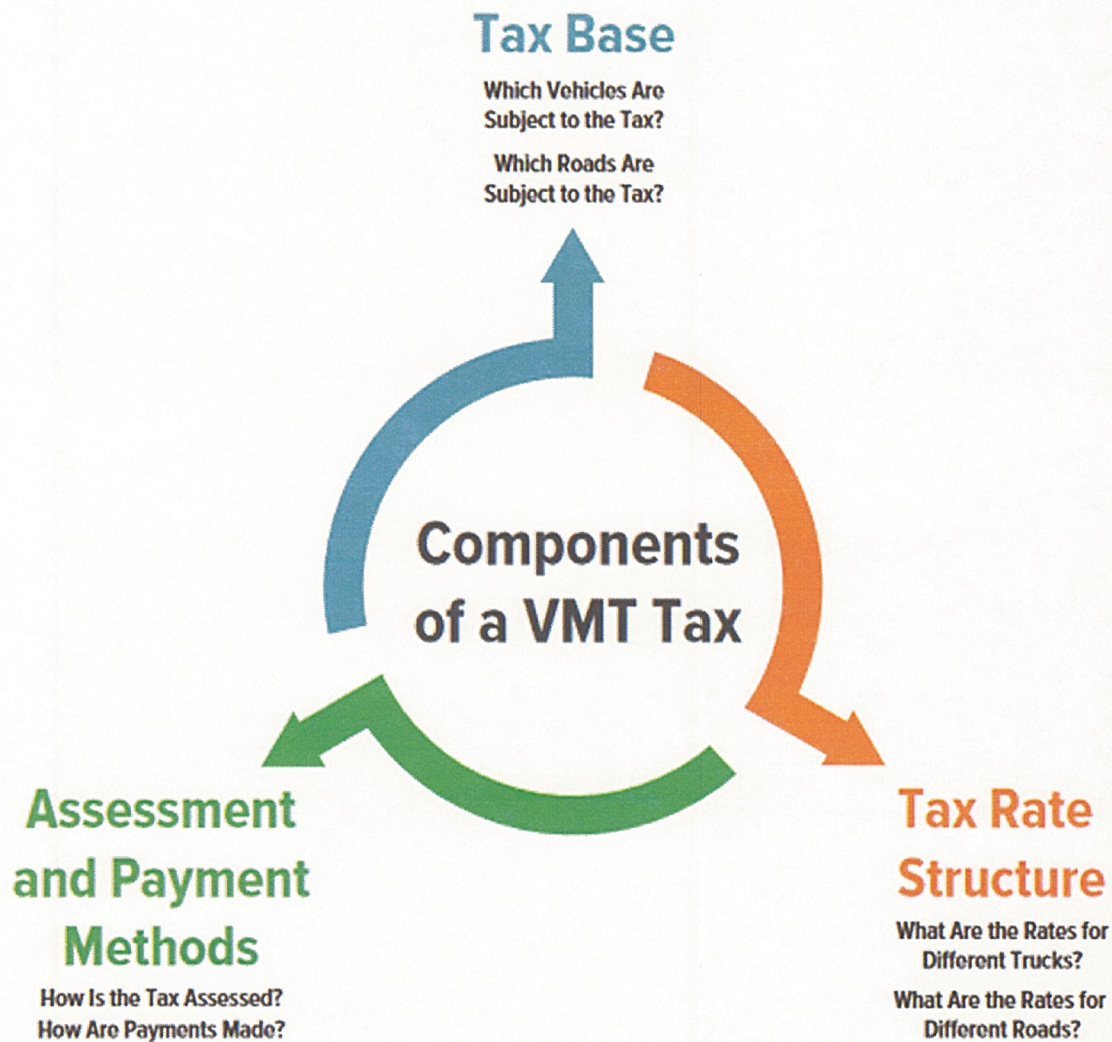
- ❖ California
- ❖ Colorado
- ❖ Hawaii
- ❖ Washington

**Tier 3:** Monitoring transportation trends (evaluating the road usage charge environment)

- ❖ Arizona
- ❖ Idaho
- ❖ Montana
- ❖ Nebraska
- ❖ Nevada
- ❖ New Mexico
- ❖ North Dakota
- ❖ Oklahoma
- ❖ Texas
- ❖ Wyoming

- NM joined shortly after formation approx. 4 years ago
- Has not participated in the last two years
- Committed to a \$100K contribution: \$25K per year for four years
  - Processed (2) payments: current available balance approx. \$38K
  - Funds: cover travel costs and can be dedicated toward specific project costs

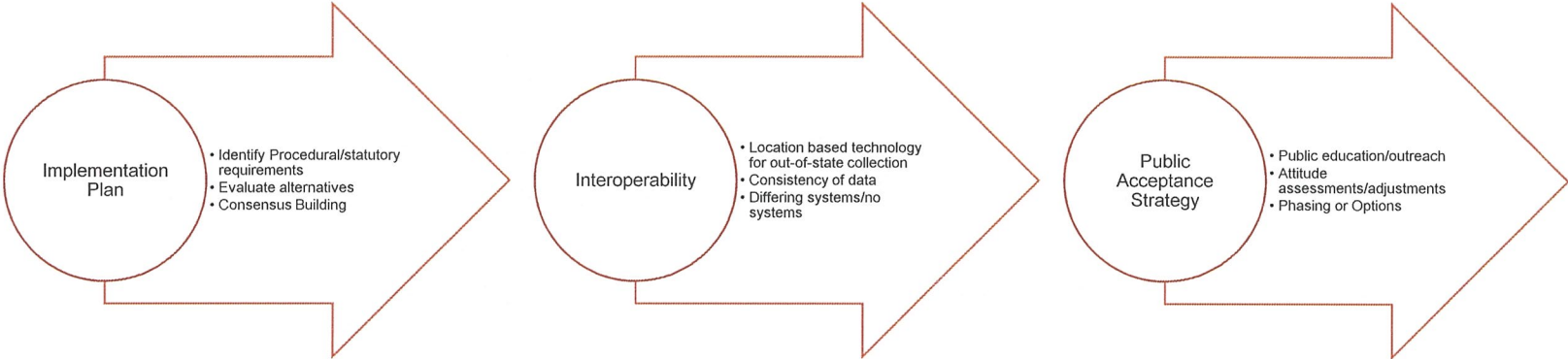




## Road Usage Charges or Vehicle Mileage Tax

- Issues in each component
- Addressed in three phases of creating a program
- General concerns:
  - In lieu of, or in addition to, fuel taxes
  - Interstate commerce and economic development
  - Difference between passive and active collection

# Components of developing a program



# Specifics of a RUC Program

## Data Collection

- One option or choices
- OBD-II: installed in vehicle
  - Equipment costs: reporting and reading
- Smartphone apps
  - Privacy issues; data ownership
- Odometer based
  - Manual reporting: individual or admin
  - Smartphone
  - No national regulations on accuracy

## Revenue Options

- Registration-based fee
  - Fleet-usage fee
  - Pay-at-the-pump fee
  - Toll-station model
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- **Funding for a Pilot Project**

- Surface Transportation System Funding Alternatives (STSFA) Grants from FHWA**

- **FAST Act Section 6020**
      - **Grants for demos of user-based alternative revenue mechanisms; or**
      - **User-fee structure deployment**
      - **FY 16: \$14.2M**
      - **FY 17: \$15.5M**
      - **FY 18: \$10.2M**
      - **Current: RUC West application for \$250K**
        - **Blockchain Proposal**
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- No more than 5,000 cars & light-duty trucks
- No more than 1,500 vehicles rated at less than 17 mpg
- No more than 1,500 vehicles from 17 to less than 22 mpg
- Use of vendors
  - Provide a VIN, odometer reading and license plate
  - Serve as account manager
  - Create accounts online
  - Devices sent by mail
  - Plugged into vehicle
  - Miles monitored online by user and vendor
  - 1.7 cents per mile
  - In-state miles only: GPS enabled devices

# Oregon

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- First in the US to adopt road usage charge program
  - Per-mile fee instead of fuel taxes: receive a credit for fuel used
  - Use of vendors which may offer incentives
  - Pilot project: July 1, 2015

- Electric vehicles: \$60 increasing to \$120 over 3 yrs
- Plug-in hybrids: \$26 increasing to \$52 over 3 yrs
- Gas hybrids: \$10 increasing to \$20 over 3 yrs
- Use of third-party vendors
  - Collects and reports miles driven
  - Embedded telematics or in-vehicle technology
  - Participants place a credit card on file; deducted periodically
  - Payments stop if flat-fee amount is reached
  - Vendor provides phone app for odometer photo readings
  - Privacy concerns addressed by offering short-term data retention or paying flat fee

# Utah

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- Sole focus on alternative fuel vehicles
  - Inclusion of flat-fee option
  - Annual cap tied to flat fee amount
  - Enrollment and enforcement in registration process
  - Begins January 1, 2020



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