

A stylized graphic of a road with a dashed yellow center line and solid blue outer lines, curving upwards and to the right against a light green background.

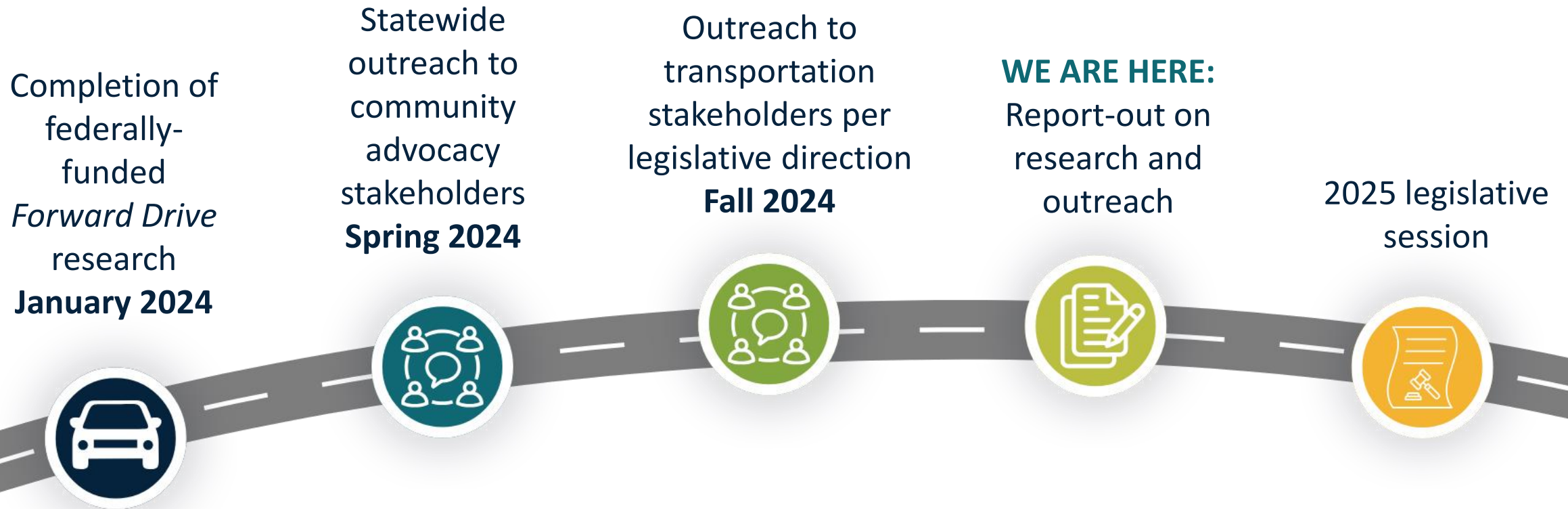
# Washington State Road Usage Charge Assessment

**December 11, 2024**

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# Status of RUC Research and Outreach



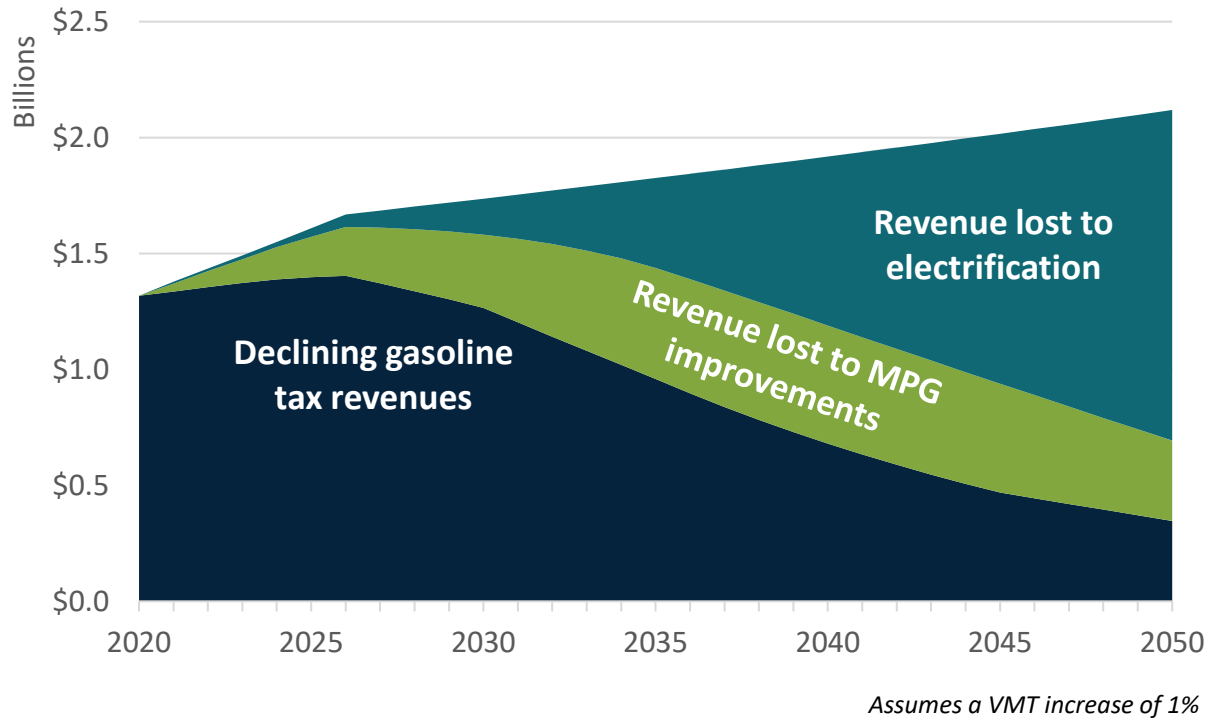
# Forward Drive Research Findings

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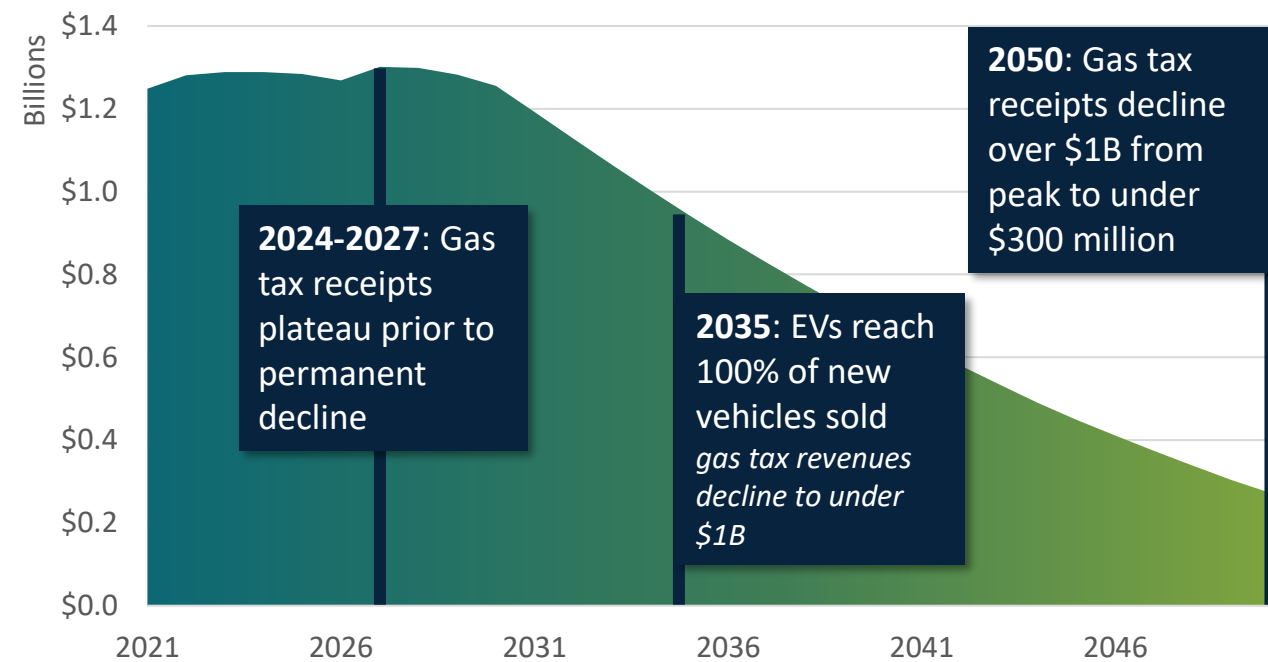


# Gas Tax Revenues Decline as Fuel Efficiency Grows

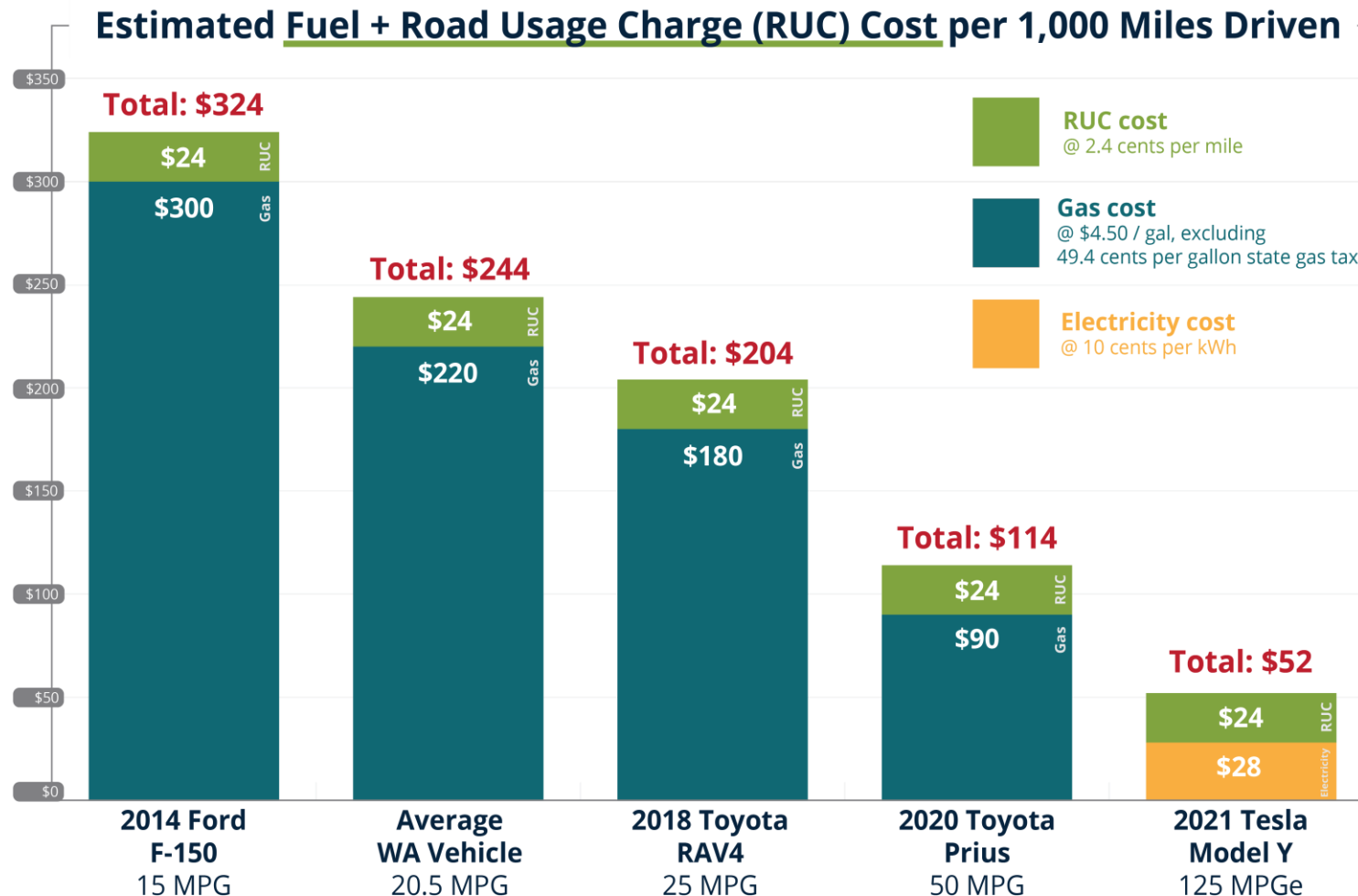
## Revenue Loss Attribution



## Revenue Loss Estimates



# RUC Enhances Tax Fairness, Sustains Revenue, and Preserves Cost Advantages for EVs

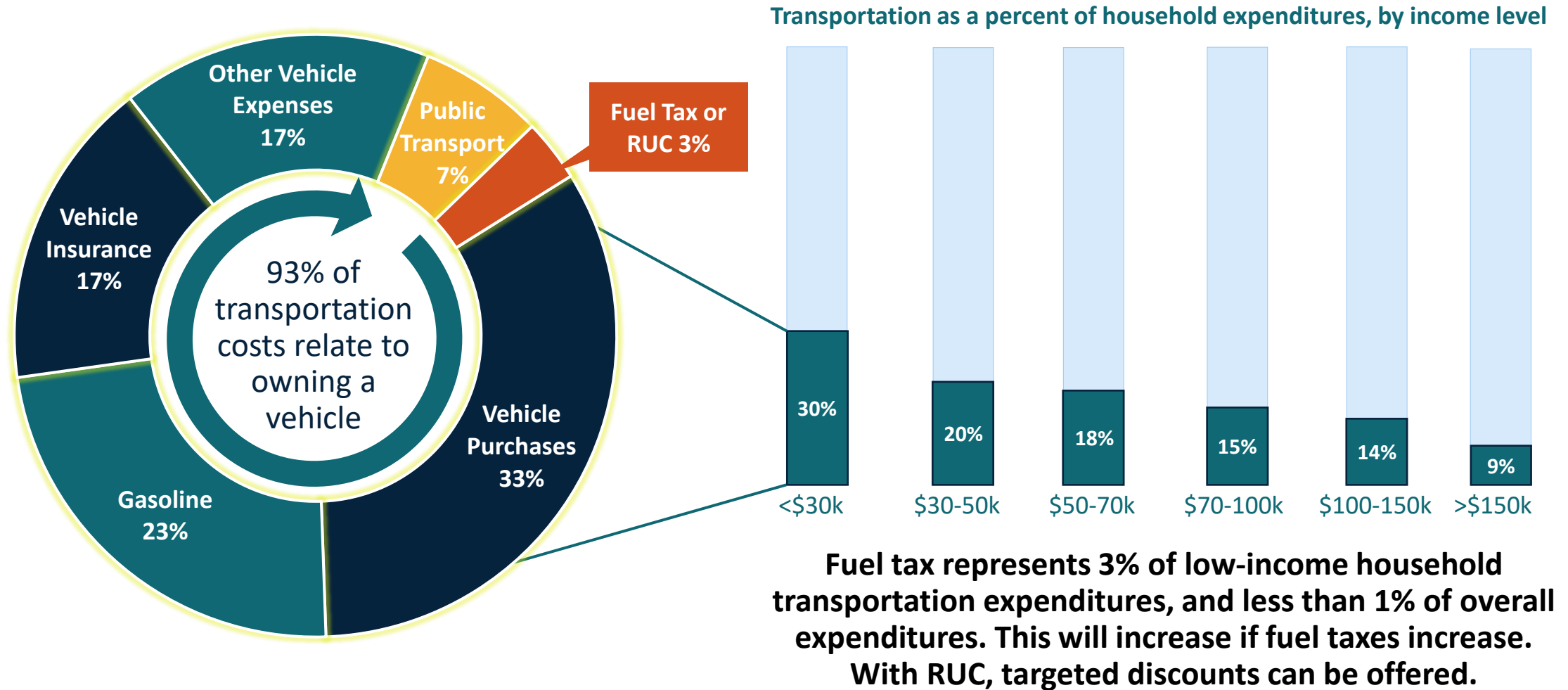


➤ EV drivers maintain a significant **operating cost advantage under RUC**, compared to gas-powered vehicles, given fuel remains a significant cost.

➤ Under a future RUC system, **participating EVs & hybrids would not pay the current flat annual registration fees.**  
*(EVs = \$225; hybrids = \$75)*

While RUC does result in drivers of fuel efficient vehicles paying a little more in taxes for transportation as compared to the gas tax, the overall cost advantage of owning a fuel efficient, hybrid, or EV remains significant. For example, under RUC, owners of a Prius will pay \$210 per month less than the Ford pickup truck driver.

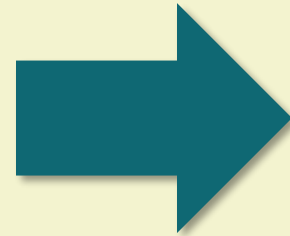
# Transportation Taxes Are a Small Proportion of Household Costs



# Online Enrollment, Reporting, & Payment Simulation

## SIMULATION

Participants engage with an online simulated RUC payment platform



## SURVEY

Simulator participants provide feedback on their experiences and opinions



**1,145**

Participants



**5 min. 20 sec.**

to enroll



**\$29.64**

Average RUC  
owed

**70%**

Were very  
satisfied with the  
payment &  
reporting process

**85%**

Said no steps were  
difficult to  
complete

**56%**

Took less than 5  
minutes to  
complete process

# Key Findings from Participant Surveys

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**1** Most **supported** a transition to RUC



**2** Most wanted to **self-report** mileage



**3** Most **did not want flexible payments**, but those who did tended to have lower household incomes

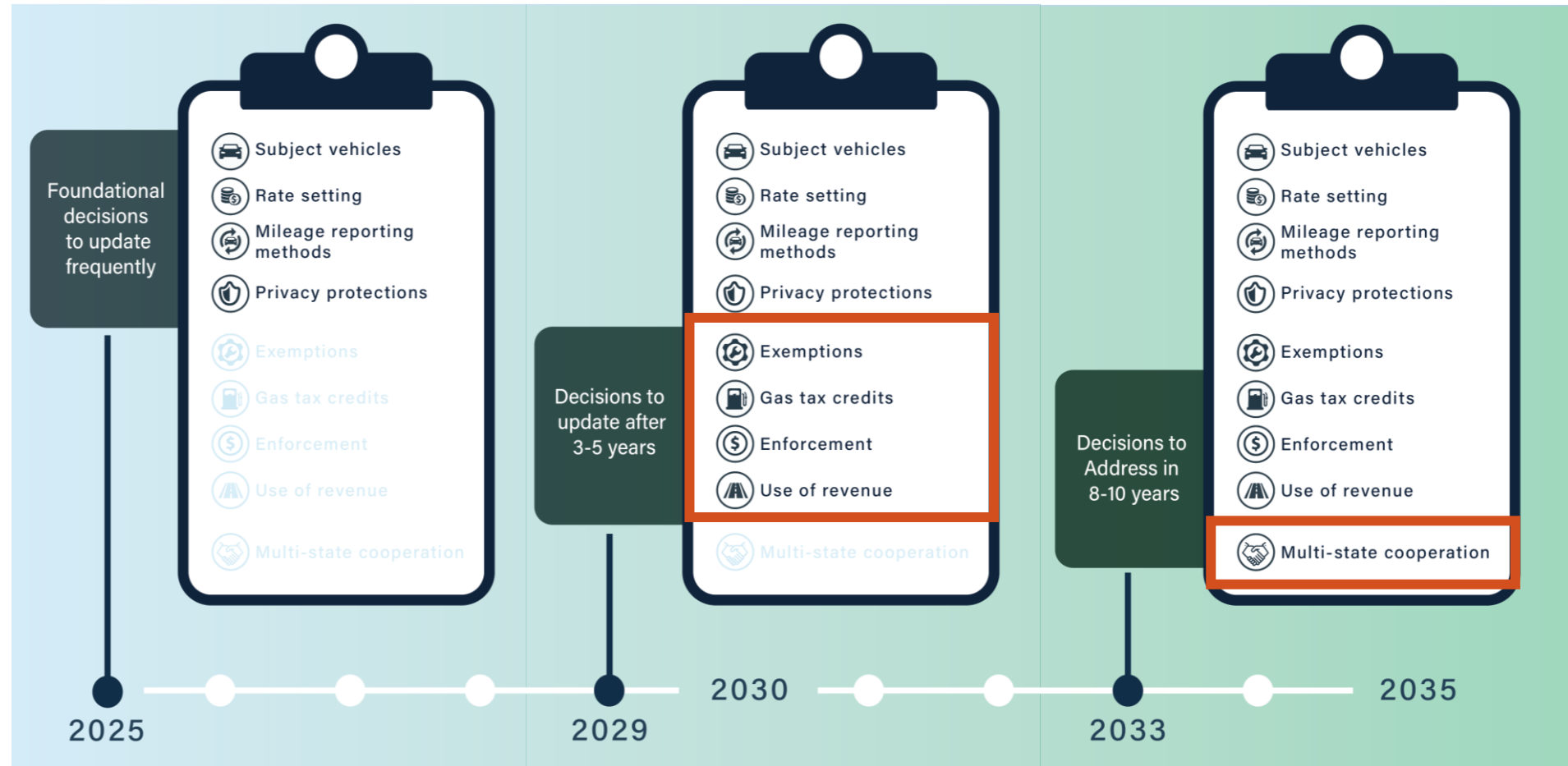


**4** Most believed in the importance of claiming **exempt out-of-state and off-road miles**



# Key Decision Points for a Long-Term Transition

- Key decisions indicated as an illustration of how a RUC transition could advance. *Legislative proposals may differ*
- Key decisions would need to be updated and revisited periodically.



# 2024 Outreach

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# Spring 2024 Outreach: Summary

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The Commission conducted statewide outreach and engagement with leaders of social service and non-profits supporting undeserved communities in Spring 2024.

## Organizations Included:

- African Housing & Development Agency
- Asian Counseling & Referral Services
- Byrd Barr Place
- Drive Forward
- Equitable Recovery & Reconciliation Alliance
- Filipino Community Center/Coalition of Immigrants & People of Color
- Greater Seattle Business Alliance
- Milestone Adolescent Community Services
- NAACP State Area Conference: WA, OR, AK
- Sea MAR
- Seattle NAACP
- Tacoma/Pierce County Black Collective
- Tacoma Urban League
- Tribal Interests
- United Way of King County

# Spring 2024 Outreach: Key Takeaways

Outreach gathered insightful input on RUC implementation considerations.

## Low-income impacts

Stakeholders stressed the importance of minimizing negative impacts on low-income households.



## RUC support

Stakeholders expressed willingness to share information to advance education around about RUC within their communities.



## Fair taxation

Many view RUC as less regressive than the gas tax and encourage consideration of a low-income discount.



## Building trust

Stakeholders value clear messaging alongside direct outreach to help shape long-term RUC policy choices.



# Fall 2024 Outreach: Summary

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- The 2024 Supplemental Transportation Budget directed the Commission to conduct stakeholder outreach regarding findings of the Commission's federally funded *Forward Drive* research program.
- Stakeholder outreach was conducted in partnership with legislative leaders in Fall 2024, with informational briefings and feedback sessions on policy options.

## Groups Consulted Included:

- Local Governments
- Non-Motorized and Multi-Modal Transportation Advocates
- Business, Construction, and Labor
- Community Advocates
- Washington Tribes

# Fall 2024 Outreach: Guiding Principles for Road Usage Charge Policy Development

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## Overall objective: Generate sustainable, long-term revenue for transportation

1. **Fairness:** Ensure drivers pay for their usage of public roads.
2. **Privacy:** Establish legislation that protects driver privacy and their data.
3. **Reporting:** Provide convenient reporting options for drivers.
4. **Transition:** Structure a program that is implemented in stages to allow for effective operations that also encourages consumer participation.

# Fall 2024 Outreach: Areas of Alignment

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The outreach revealed alignment on several decision points for a small-scale, start-up RUC program including:



## Subject Vehicles

Launching a **voluntary** program that waives existing annual fees for EV and hybrid owners who enroll.



## Rate Setting

Establishing RUC as a **gas tax replacement** with an initial rate equivalent to the average gas tax.



## Mileage Reporting Methods

Providing choice for road usage reporting, with **odometer readings** as a simple, low-cost base option.



## Privacy Protection

Enacting **statutory privacy protection provisions** for a RUC program.

# Fall 2024 Outreach: Areas with Diverse Opinions

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Several topics critical to a mature RUC program drew differences of opinion and merit additional deliberation as the start-up RUC program grows over time:



## Use of Revenue

Despite agreement on dedicating RUC revenues to transportation purposes, opinions varied on the degree of dedication for highway purposes consistent with the 18<sup>th</sup> Amendment.



## Revenue Distribution

Although most stakeholders wish to preserve existing funding levels for local governments, Tribes, and off-road recipients, some have interest in revisiting gas tax distribution formulas.



## Exemptions and Discounts

Targeted exemptions, discounts, and caps on total RUC charges can reduce impacts on specific groups such as low-income drivers, professional drivers, high-mileage drivers, and Tribal members, but opinions vary on the merit and timing of such features.



# Next Steps

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- December** Commission submits report on outreach efforts to the Legislature
- January** Stakeholder meetings to discuss policy direction
- Spring** Utilize federal grant funding to continue work with other states and FHWA on advancing efficient approaches to long-term, multi-state interoperability as part of national efforts to transition away from the gas tax to road charging

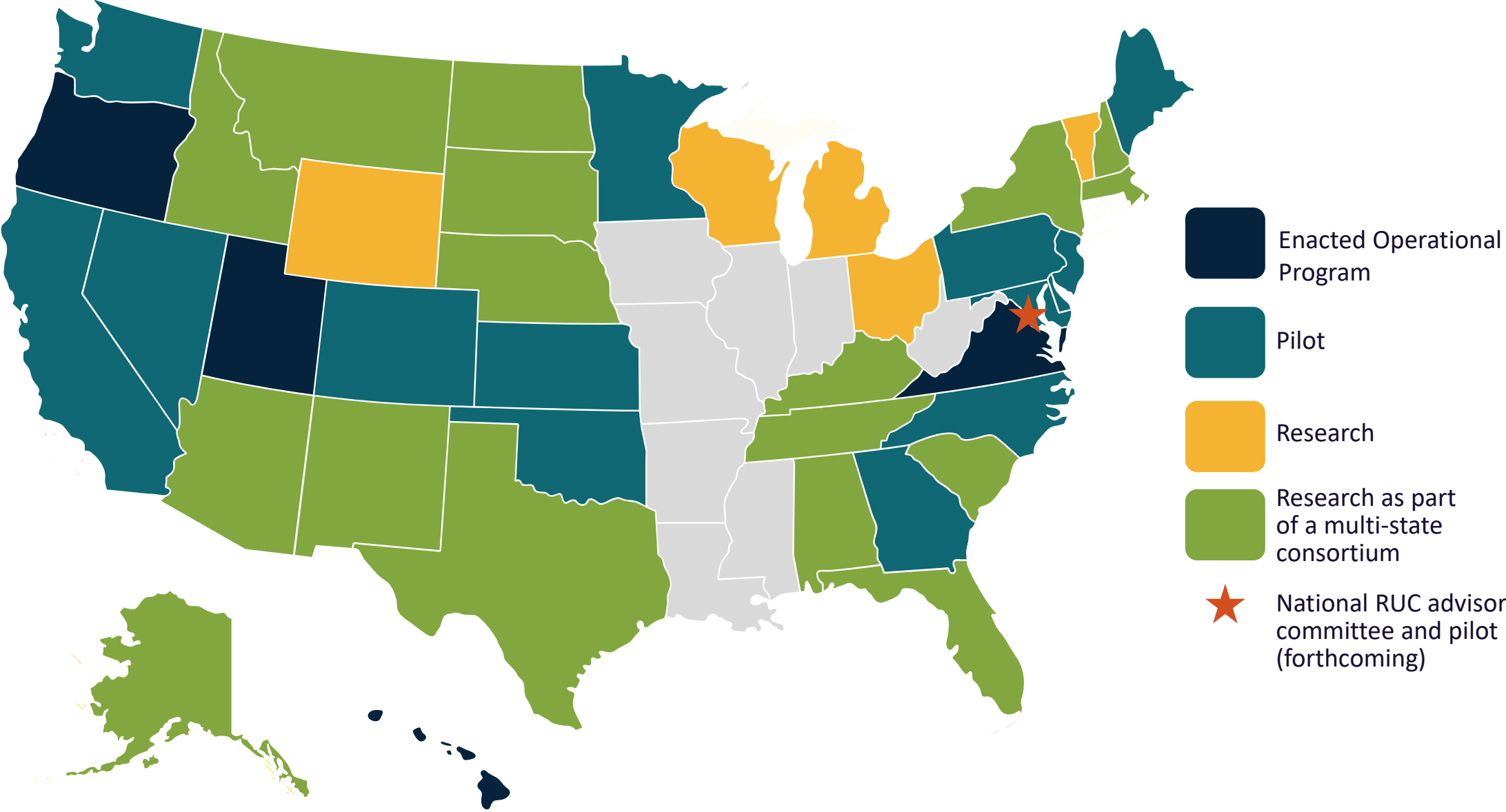
# National Update

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## The changing landscape of road usage charging



# Road Usage Charge Activities Nationally - 2024



# Four States with Enacted RUC Programs



Hawaii

- Starts **July 2025**
- Replaces EV flat fee with **choice** of per-mile RUC
- **Mandatory for all EVs in 2028**
- Plan to replace gas tax for all light-duty vehicles by 2033



Virginia

- Established **July 2022**
- Drivers of fuel efficient, hybrid or electric vehicles choose **per-mile charge** with cap
- **~32,000** vehicles enrolled



Utah

- Established **January 2020**
- RUC as an option in lieu EV flat fee, capped
- **~5,000 EVs (and legacy hybrids)**
- Now only enrolling electric and alt. fuel



Oregon

- Established **July 2015**
- Discounted registration fee
- No cap
- **~800 EVs, hybrids, and fuel-efficient vehicles**



# THANK YOU!

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