

# Virginia's Mileage Choice Program

Senator David W. Marsden  
Virginia State Senator



# Origin of the Mileage Choice Program in Virginia

- **The history:** Taxing fuel to fund roadway maintenance began in VA in 1923
- **The problem:** Electric vehicles and increasing fuel efficiency of vehicles are eroding sustainability
- **The two-part pilot:** Highway Use Fee (HUF) and optional Mileage Choice Program
  - Implemented at the end of Governor Northam's administration
  - HUF compares an efficient vehicle's gas tax to an average vehicle, and assesses 85% of the difference
  - The Mileage Choice program is an alternative to paying a vehicle's full HUF at the time of registration

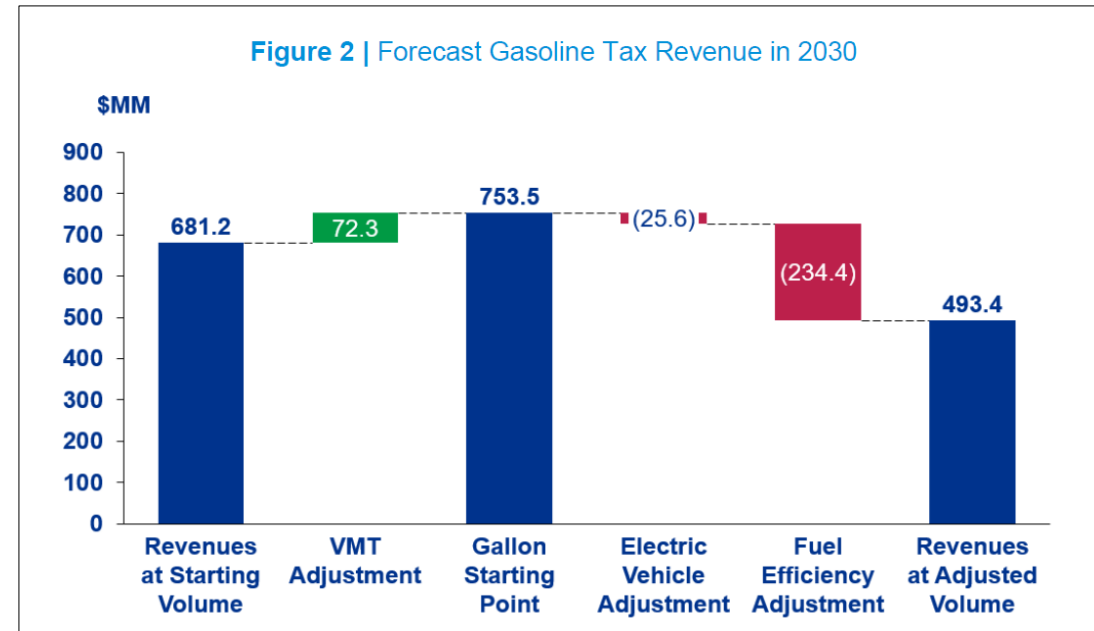


# Prior to starting the pilot, a workgroup was formed

## Recommendation: Create a bridge of near-term and long-term solutions to pilot

- **Near term:** increase gas tax rate, index rate to inflation, Highway Use Fee
- **Long-term:** Mileage-based user fee program

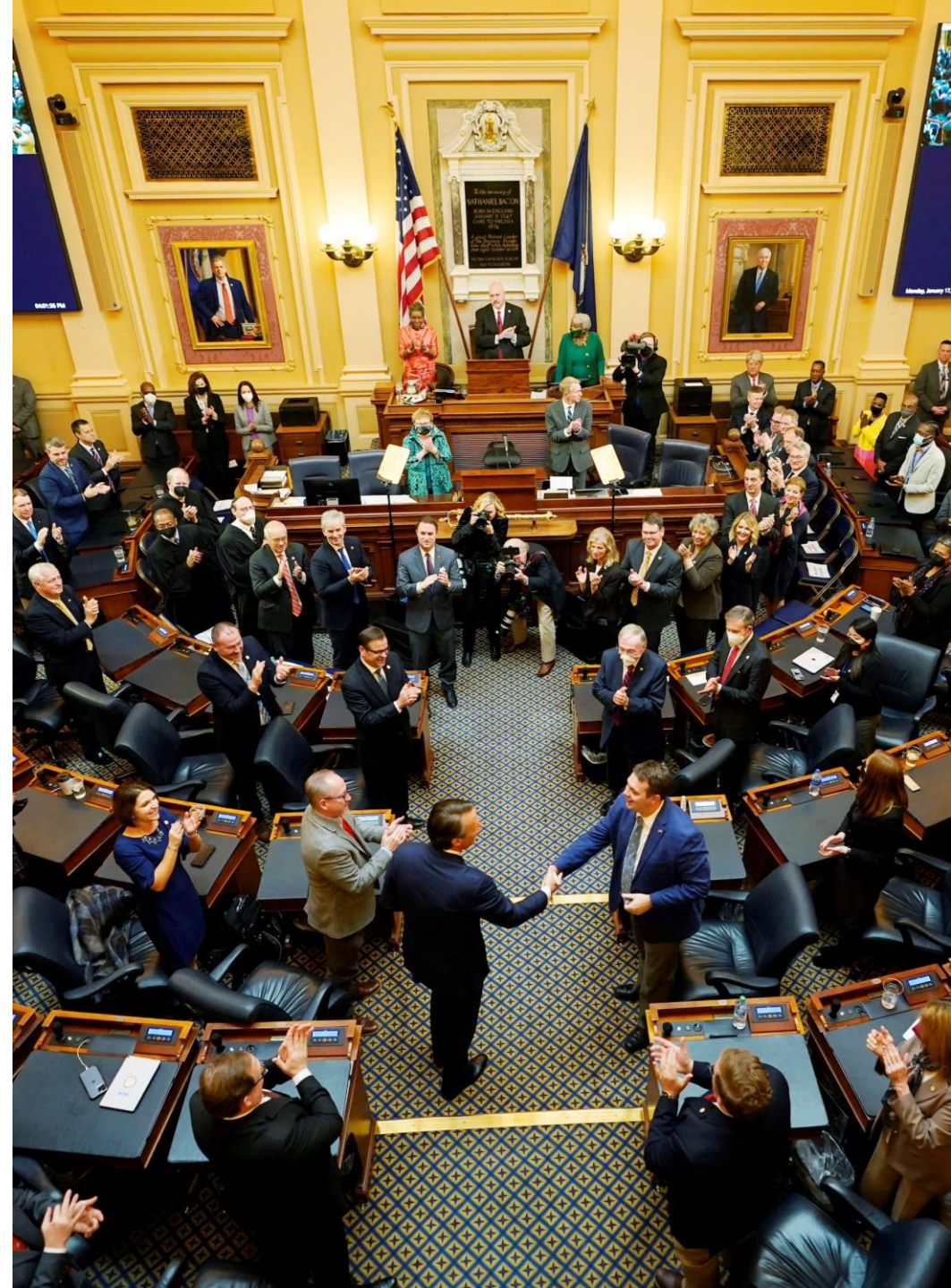
Finding: There is an accelerating gap in fuels tax funding





# House Bill 1414

- Passed by the 2020 General Assembly
- Established Highway Use Fee and Mileage Choice Program pilot
- **HUF calculated by comparing fuel tax payments of average vehicle in VA to those for vehicles 25 MPG or greater**
  - VIN decoder determines fuel economy for registered vehicles
  - Tied to gas tax rate, which is indexed to inflation
- **Two options:**
  - Highway Use Fee (HUF) is due in full at time of registration
  - Join the Mileage Choice Program and ‘pay-as-you-go’, capped at HUF amount



# Mileage Choice is a partnership

- DMV
- Emovis
- Eastern  
Transportation  
Coalition



Mileage data collection is outsourced to Emovis



DMV issued RFP March 2021; awarded contract to Emovis as the Commercial Account Manager (CAM) December 2021



Customers enroll with CAM at [vamileagechoice.com](http://vamileagechoice.com) prior to their registration expiration



CAM interfaces with DMV to verify eligibility and receive per-mile rate, turns on participation indicator



Partnered with Eastern Transportation Coalition for a digital ad campaign using federal grant funds

## 1 Sign Up



Before renewing your vehicle registration, [create an account](#) with Emovis. You will need your vehicle information and a valid credit or debit card to set up an account. Emovis will send you a device to place in your vehicle to report mileage.

[SIGN UP](#)

## 2 Install



When you receive the mileage reporting device, follow the directions provided by Emovis to [install](#) the device in your vehicle and fully activate your account. You will also need to download a smartphone app to record an initial odometer reading.

## 3 Drive



The miles you drive will be recorded by the device, up to the amount of the highway use fee.

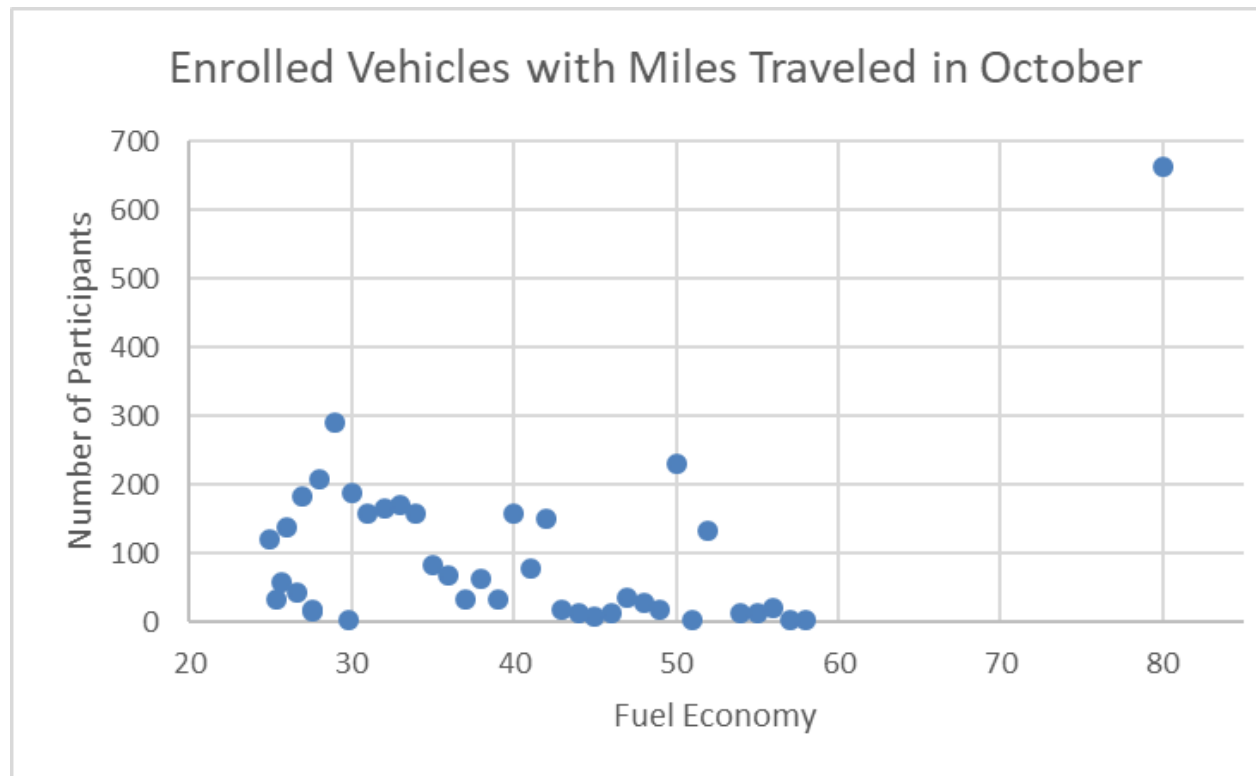
**Signing up for  
Mileage Choice is  
easy  
[vamileagechoice.com](http://vamileagechoice.com)**

- Enrollments began July 1<sup>st</sup>, 2022
- Customers can choose between OBD-II devices or in-vehicle telematics
- Non-GPS option available
- Miles began to be collected August 1<sup>st</sup>, with the first invoices processed in September





# Enrollments are small and mostly in urban areas, but growing



- Out of the ~7 million registered vehicles in Virginia, ~2M pay a highway use fee, and of those eligible vehicles only 20,000 participate in this program as of September 2023
  - 20% Electric, 30% Hybrid and 50% Gasoline

# Results are still being analyzed from our first full-year cohort (i.e., August 2022 – August 2023)

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Preliminary finding: Most Mileage Choice users stayed below their HUF Cap

<b>Per-Mile Payments</b>	<b>August 2022 Volume</b>	<b>Percentage</b>
Met cap and paid 100% of HUF	171	12%
Saved less than 10% of HUF	57	4%
Saved between 10% and 50% of HUF	484	34%
Saved between 50% and 100% of HUF	693	49%

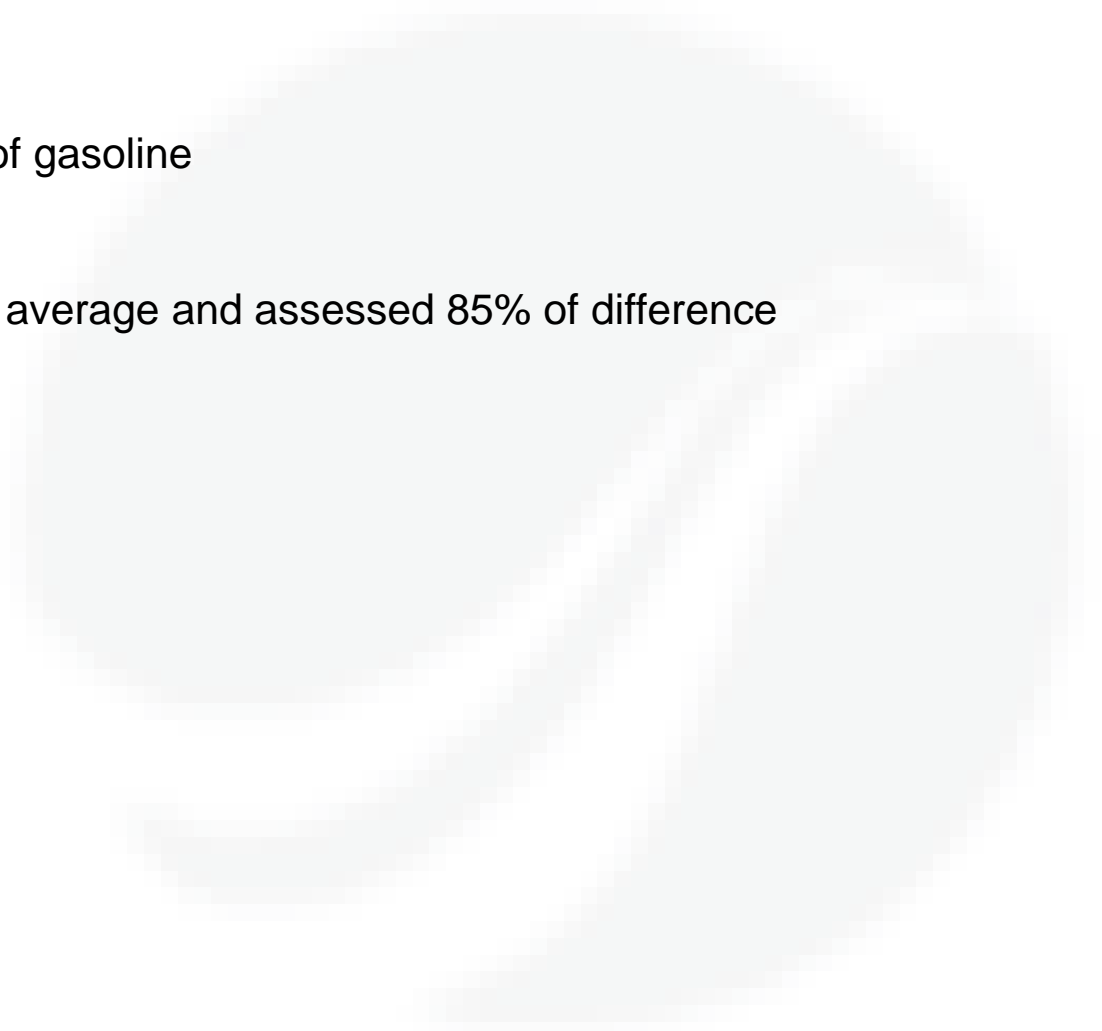


# APPENDIX



# Highway Use Fee

- 23.7 MPG vehicle driven 11,600 miles purchases 489 gallons of gasoline
- At \$0.280 per gallon gas tax, vehicle pays \$137.05
- Fuel efficient vehicles over 25 MPG are compared against this average and assessed 85% of difference
- For FY23, fee ranges from \$6.06 to \$116.49



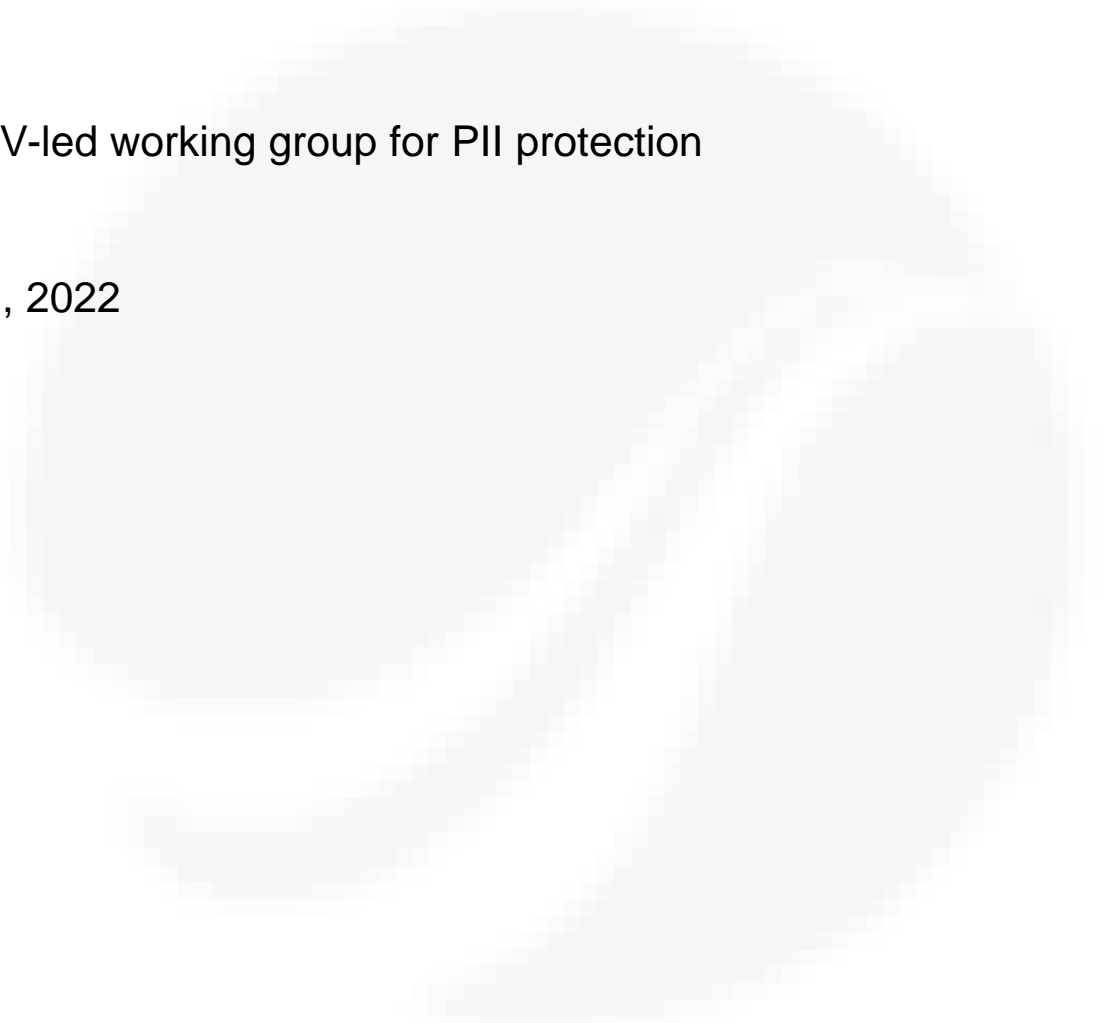
# Highway Use Fee

- About 1.7M vehicles eligible out of 6.8M registered vehicles
- FY 21, HUF collections totaled \$41.7M
- FY 22 revenue totaled \$54.0M
- FY 23 revenue on track to exceed \$67M



# Privacy Provisions

- Security and privacy paramount; enabling legislation directed DMV-led working group for PII protection
- Existing provisions covered DMV data
- Additional provisions for the *Code of Virginia* took effect on July 1, 2022
  - Data only released for program operation purposes





# Next Steps – New Car Purchases

- Currently only renewing vehicles are eligible to participate
- New cars require dual enrollment/registration
- DMV has authority to limit participation for four years

