

OPT-OUT FEE PROPOSAL

Background

The Road User Fee Task Force is considering legislation for the 2021 legislative session creating a mandatory road usage charge program for vehicles model year 2027 or newer.

Goal of opt-out proposal: Allow for model year 2027 vehicles and newer to opt-out of the mandatory road usage charge program for a few years after implementation.

Rationale: Recognizing that some drivers will not be ready to share their mileage information with a third-party at the onset of the program, paying this fee will cover some of the cost for their use of the road while building public acceptance for universal road usage charge program.

Why the fee varies based on mpg rating of vehicle: To avoid incentivizing people to opt-out, the fee has to be set so total gas tax and opt-out fee are fairly similar across vehicles. Less efficient vehicles pay more fuels tax at the pump for their use of the road, accordingly their opt-out fee is less. Setting the rate at the same level would incentivize more EVs to opt-out of RUC.

Note: This proposal captures about 90% of vehicles, but only roughly 70% of miles driven.

Proposal

Assumptions:

- 20,000 miles driven/year
- 2024 rates of 2 cents per mile RUC and 40 cent fuel tax

