On July 1, 2015, the Oregon Department of Transportation will begin assessing a charge of 1.5 cents per mile for 5,000 drivers of cars and light commercial vehicles who have volunteered for the state’s Road Usage Charge Program, known as OReGO. As warranted, the drivers will receive a refund of the state’s gas tax. The program, which will test three different methods of collecting mileage-based fees, is the result of 2013 legislation and follows previous pilot projects in 2007 and 2012 to test such systems in the state.¹

While Oregon has experienced the most success in pioneering mileage-based fees, it is by no means the only state to have played a role in researching, testing and planning for a future that may include such fees around the country.

Other states have conducted pilot projects to test mileage-based user fees.

• In 2011–12, the Minnesota Department of Transportation tested a road usage charging system that relied on the use of GPS-enabled smartphones for the collection and transmission of mileage data. Participants paid different fee rates based on whether travel occurred in the Twin Cities region and whether it occurred during rush hour.²

• The Nevada Department of Transportation has conducted its own studies of mileage-based fees, largely with the aid of federal funding and state university support. A mini-field test with 40 participants concluded in 2012 used a pay-at-the-pump system and did not rely on the collection of location data.³

• A multi-state study conducted by the University of Iowa Public Policy Center and concluded in 2010 involved the deployment of a prototype mileage-based charging system incorporating onboard computers with GPS receivers in the vehicles of more than 2,500 participants in 12 locations throughout the United States during a two-year period.⁴ The geographically diverse locations used in the study included Albuquerque, N.M.; Austin, Texas; Baltimore; Billings, Mont.; Boise, Idaho; Chicago; eastern Iowa; Miami; Portland, Maine; North Carolina’s Research Triangle; San Diego and Wichita, Kan.⁵

Several states have adopted mileage-based user fee-related legislation.

• California’s legislature in 2014 passed legislation requiring the California Transportation Commission to establish a task force to study mileage-based fees for two years and recommend a program to test the concept. The legislature and state officials would have to decide whether to move forward with a pilot.⁶

• The Indiana legislature in 2014 approved legislation authorizing the state department of transportation to contract with a third party to study transportation funding alternatives, including one based on vehicle miles traveled. Each alternative studied will be evaluated on privacy, ease of use, compliance and revenue collection costs. The study is not to exceed two years.⁷

• In 2012, the Washington state legislature authorized the state transportation commission to form a stakeholder steering committee tasked with evaluating the feasibility of a road user charge and recommending potential options for a pilot test. In 2013, the legislature asked the commission to evaluate the business case for road usage charging and a policy framework was developed. The commission issued a final report to the governor and legislature in December 2014, focusing on the development of a concept of operations, the first step in putting together a systems engineering process that describes the full functionality of such a system.⁸

States Explore Mileage-Based User Fees

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States are considering additional legislation this year.

- In March 2015, Arkansas' House Public Transportation Committee gave its endorsement to House Bill 1716, which would use federal money to support a research project under which volunteers would be subject to a tax of 1.5 cents for every mile driven. The bill was withdrawn by its author as time ran down on the 2015 legislative session.9

- Florida lawmakers in 2015 are considering Senate Bill 1554, which would direct the Center for Urban Transportation Research at the University of South Florida to conduct a study on the viability of implementing a mileage-based user fee system. The study would inventory previous research from pilot projects in other states. It would address the assessment of technologies, behavioral and privacy concerns, equity impacts and policy implications of such a system. The center is directed to present the findings to the legislature no later than January 30, 2016 and then work with the Florida Transportation Commission to establish the framework for a pilot project.10

- In Massachusetts, Rep. Tricia Farley-Bouvier has introduced legislation (H. 2984) to create a task force to guide the development of a pilot program to assess the potential for mileage-based revenue collection.11

- In Oregon, members of the House Interim Committee on Transportation and Economic Development pre-filed legislation (House Bill 2271), which would convert the 5,000-volunteer road usage charge program to a mandatory program requiring people operating certain high-mileage vehicles to pay either the per-mile charge or a flat annual road usage charge. If adopted, the program would become operational July 1, 2017.12

States also have formed coalitions to explore mileage-based user fees.

- Eleven states have joined the Western Road Usage Charge Consortium to conduct collaborative research and joint planning around implementation challenges.13

- The Mileage-Based User Fee Alliance is a national nonprofit organization formed in 2010 that unites government, business, academic and transportation policy leaders to conduct education and outreach on the potential for mileage-based fees at the federal level.14

- The I-95 Coalition—an alliance of transportation agencies, toll authorities, metropolitan planning organizations and other groups in states from Maine to Florida—has conducted research on the administration of mileage-based user fees in a multi-state environment in two phases. They examined institutional and administrative requirements of a multi-state mileage-based system, as well as legal and regulatory issues that would need to be addressed. They also studied actual operating environments and current conditions in three adjoining states—Delaware, Maryland and Pennsylvania.15

REFERENCES

3. Ibid.
## State Exploration of Mileage-Based User Fees (2005–15)

### State Mileage-Based User Fee Activities

<table>
<thead>
<tr>
<th>State</th>
<th>Mileage-Based User Fee Activities</th>
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<tbody>
<tr>
<td>Arizona</td>
<td>• Member, Western Road-Usage Charge Consortium</td>
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| California  | • San Diego participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10)  
• Senate Bill 1077 (California Legislature, 2014) authorizes pilot program to assess practicality of taxing drivers based on vehicle miles traveled.  
• Member, Western Road-Usage Charge Consortium  
• Member, Mileage-Based User Fee Alliance (Caltrans) |
| Colorado    | • Colorado Mileage-Based User Fee Study (Colorado Department of Transportation, Texas A&M Transportation Institute, Parsons Brinckerhoff, 2013)  
• Member, Western Road-Usage Charge Consortium |
| Delaware    | • Participant, Multi-State VMT-Based Charge System Project (I-95 Corridor Coalition, 2010–11)  
• Member, Mileage-Based User Fee Alliance (Delaware Department of Transportation) |
| Florida     | • Miami participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10). |
| Hawaii      | • Member, Western Road-Usage Charge Consortium |
| Idaho       | • Boise participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10). |
| Illinois    | • Chicago participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10). |
| Indiana     | • House Bill 1104 (Indiana Legislature, 2014) authorizes the state department of transportation to contract with a third party to conduct a study researching transportation funding alternatives, including one based on vehicle miles traveled. |
| Iowa        | • Eastern Iowa participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10). |
| Kansas      | • Wichita participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10). |
| Maine       | • Portland participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10). |
| Maryland    | • Baltimore participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10).  
• Participant, Multi-State VMT-Based Charge System Project (I-95 Corridor Coalition, 2010–11) |
| Minnesota   | • Mileage-Based User Fee Demonstration Project (Minnesota Department of Transportation, 2006)  
• Mileage-Based User Fee Pilot (Minnesota Department of Transportation, 2011–12)  
• Member, Mileage-Based User Fee Alliance (Minnesota Department of Transportation) |
| Montana     | • Billings participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10).  
• Member, Western Road-Usage Charge Consortium |
| Nevada      | • Vehicle Miles Traveled Fee Study and Pilot Program (Nevada Department of Transportation, 2009–12)  
• Member, Western Road-Usage Charge Consortium |

*continued on next page*
### State Exploration of Mileage-Based User Fees (2005–15), Continued

<table>
<thead>
<tr>
<th>State</th>
<th>Participants and Programs</th>
</tr>
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</table>
| New Mexico     | Albuquerque participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10).  
                 | Participant and Future Member, Western Road-Usage Charge Consortium |
| New York       | Study: “Mileage-Based User Fees: Prospects and Challenges” (Regional Plan Association, 2012) |
| North Carolina | Research Triangle participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10).  
                 | Member, Mileage-Based User Fee Alliance (North Carolina Department of Transportation) |
| North Dakota   | Participant and Future Member, Western Road-Usage Charge Coalition |
| Oregon         | Oregon Mileage Fee Concept and Road User Fee Pilot Program (Oregon Department of Transportation, 2005–07)  
                 | Road Usage Charge Pilot Program (Oregon Department of Transportation, 2012–13)  
                 | Senate Bill 810 (Oregon Legislature, 2013) to establish a 5,000-volunteer program to begin July 2015  
                 | OReGO Road Usage Charge Program (2015)  
                 | Member, Western Road-Usage Charge Consortium  
                 | Member, Mileage-Based User Fee Alliance (Oregon Department of Transportation) |
| Pennsylvania   | Participant, Multi-State VMT-Based Charge System Project (I-95 Corridor Coalition, 2010–11) |
| Texas          | Austin participated in University of Iowa’s National Evaluation of a Mileage-Based Road User Charge (2008–10).  
                 | Exploratory Study: Vehicle Mileage Fees in Texas (Texas Department of Transportation, Federal Highway Administration, Texas A&M Transportation Institute, 2010)  
                 | Member, Western Road-Usage Charge Consortium |
| Utah           | Member, Western Road-Usage Charge Consortium |
| Washington     | Seattle-Area Pilot Program (Puget Sound Regional Council, 2005–06)  
                 | House Bill 2190 (Washington Legislature, 2012) to establish steering committee to work with state transportation officials on determining feasibility of transitioning to mileage-based system.  
                 | Member, Western Road-Usage Charge Consortium  
                 | Member, Mileage-Based User Fee Alliance (Washington State Department of Transportation) |
| Wyoming        | Participant and Future Member, Western Road-Usage Charge Consortium |

**Sources**