

# Virginia Mileage Choice Program

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# Mileage Based User Fee Program

- 2019 legislative directive led to a working group study on affects of fuel efficient vehicles on transportation revenue
- Vehicle miles traveled increased and motor fuel tax revenue declined in 2019 over 2018
- Transportation funding sustainability study ordered

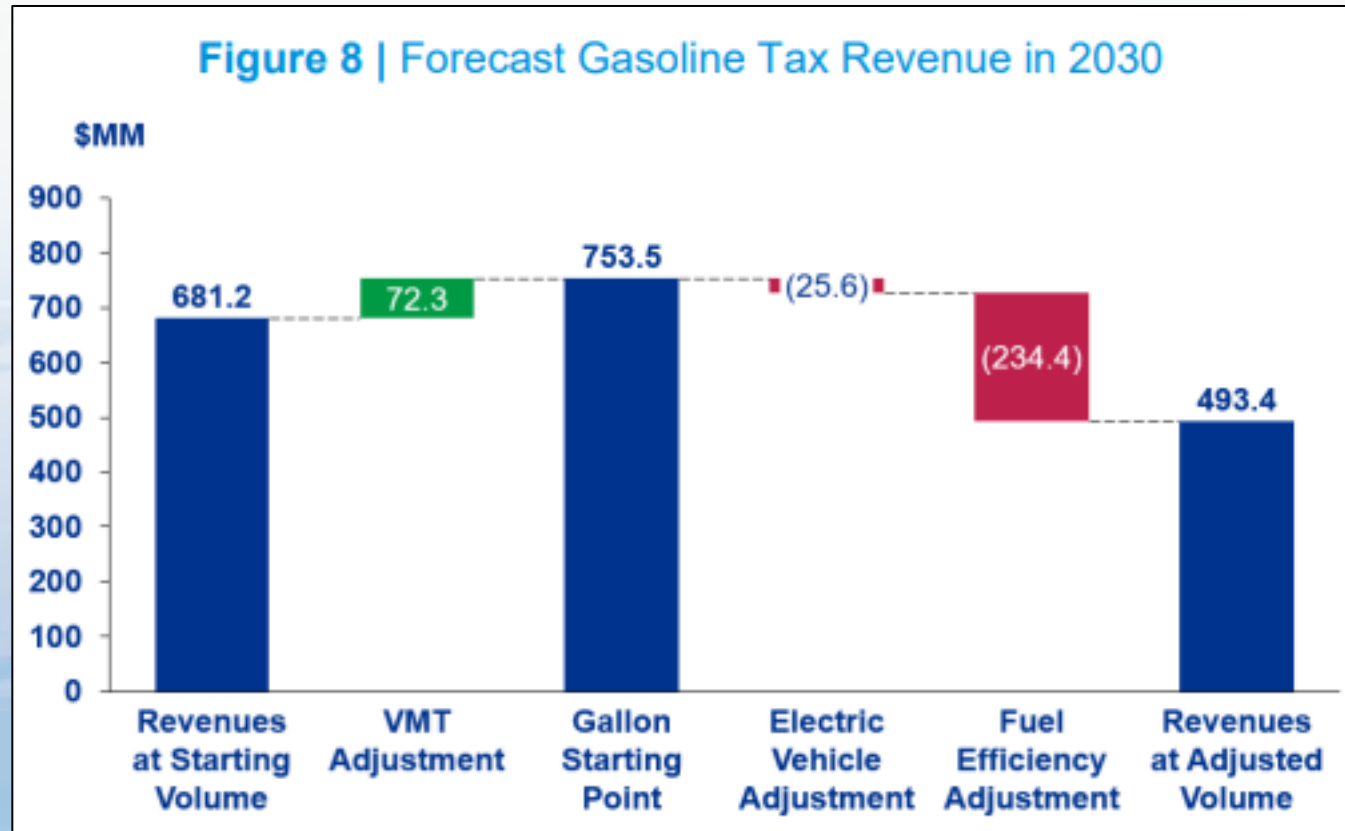


# Workgroup Findings

- Projected decline in future fuels tax revenue
- Electric vehicles and hybrids, but also impact from internal combustion engine vehicles
- 2019 EPA report: new vehicle fuel economy up 29%
  - 19.3 MPG in 2004
  - 24.9 MPG in 2017
- Rate of fuel economy improvement accelerating



# Workgroup Findings



# Workgroup Findings

- Sustainable funding program requires bridge of near-term solutions while longer-term solutions are created
  - Near term: increase gas tax rate, index rate to inflation, Highway Use Fee
  - Long-term: Mileage-based user fee program



# House Bill 1414

- Passed by the 2020 General Assembly
- Established Highway Use Fee which is a calculation to capture unpaid fuels tax revenue for fuel efficient vehicles
  - Collected at vehicle registration
- Compares 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



# 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
- 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 will be over \$53M





# Voluntary Mileage Based Program

- Alternative to annual payment for highway use fee at vehicle registration
- Vehicle owners may opt to pay throughout the year for actual miles traveled
- Per-mile rate equals the vehicle's Highway Use Fee divided by 11,600
  - Maximum mileage based charge is capped at highway use charge



# Mileage Choice Program

- Voluntary program branded as Mileage Choice



# Commercial Account Manager

- Mileage data collection requires outsourcing
- DMV issued RFP March 2021; awarded contract to Emovis as the Commercial Account Manager (CAM) December 2021
- Customers will enroll with CAM at [vamileagechoice.com](http://vamileagechoice.com) beginning July 1, 2022, prior to their registration expiration
- CAM interfaces with DMV to verify eligibility and receive per-mile rate





# Virginia's Mileage Choice Program Coming in July

## Save Money with the Mileage Choice Program

Virginia's Mileage Choice Program is a voluntary option for drivers who pay a highway use fee. Instead of paying the highway use fee all at once, you pay on a per-mile basis. You only pay for the miles you drive, so if you drive less, you pay less. And, if you end up driving a little more, you never pay more than your annual highway use fee.

Drivers can sign up on this website beginning July 1, 2022. In the meantime, visit [dmvNOW.com/VAMileageChoice](https://dmvNOW.com/VAMileageChoice) for more information.



# Implementation

- Prepaid wallets tied to customer credit cards
- Program uses OBD II devices and in-car telematics
- Non-GPS enabled devices for drivers preferring miles not locations recorded
  - Virginia's program does not discount out-of-state miles
- Security and privacy paramount; additional provisions for the *Code of Virginia* will take effect on July 1, 2022
  - Data only released for program operation purposes



# Phased Enrollment

- HB 1414 authorizes DMV to limit participation for four years
- Initial participation will be available for vehicle registration renewals
- New vehicle purchases to become available when an additional system module allows simultaneous registration with DMV and enrollment at purchase



# Education and Outreach

- Partnering with Eastern Transportation Coalition
- Focusing on potential participant groups and testing public response to messaging



Hybrid and electric owners...

...now you can pay your highway use fees as you drive.

 **COMING IN JULY**  
FIND OUT MORE



# Vamileagechoice.com

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