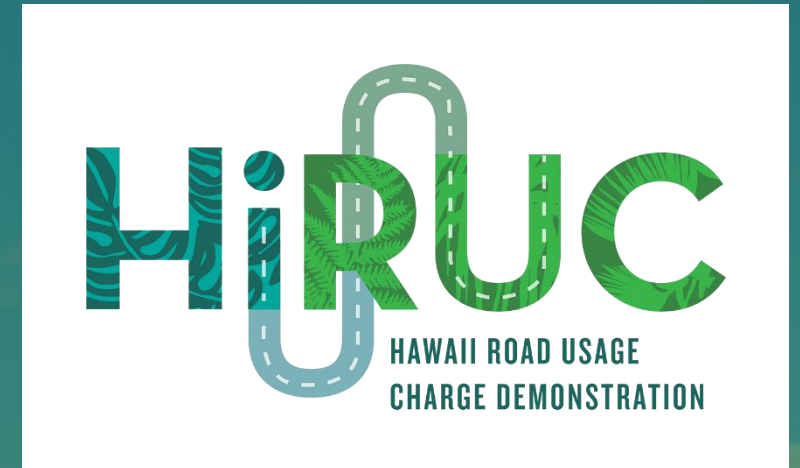


Explaining the How and Why of RUC to the Public: the Hawaii Perspective



Tammy Lee, Hawaii Department of Transportation
NCSL RUC Summit
June 27, 2022



Hawaii: Four Counties, Eight Major Islands

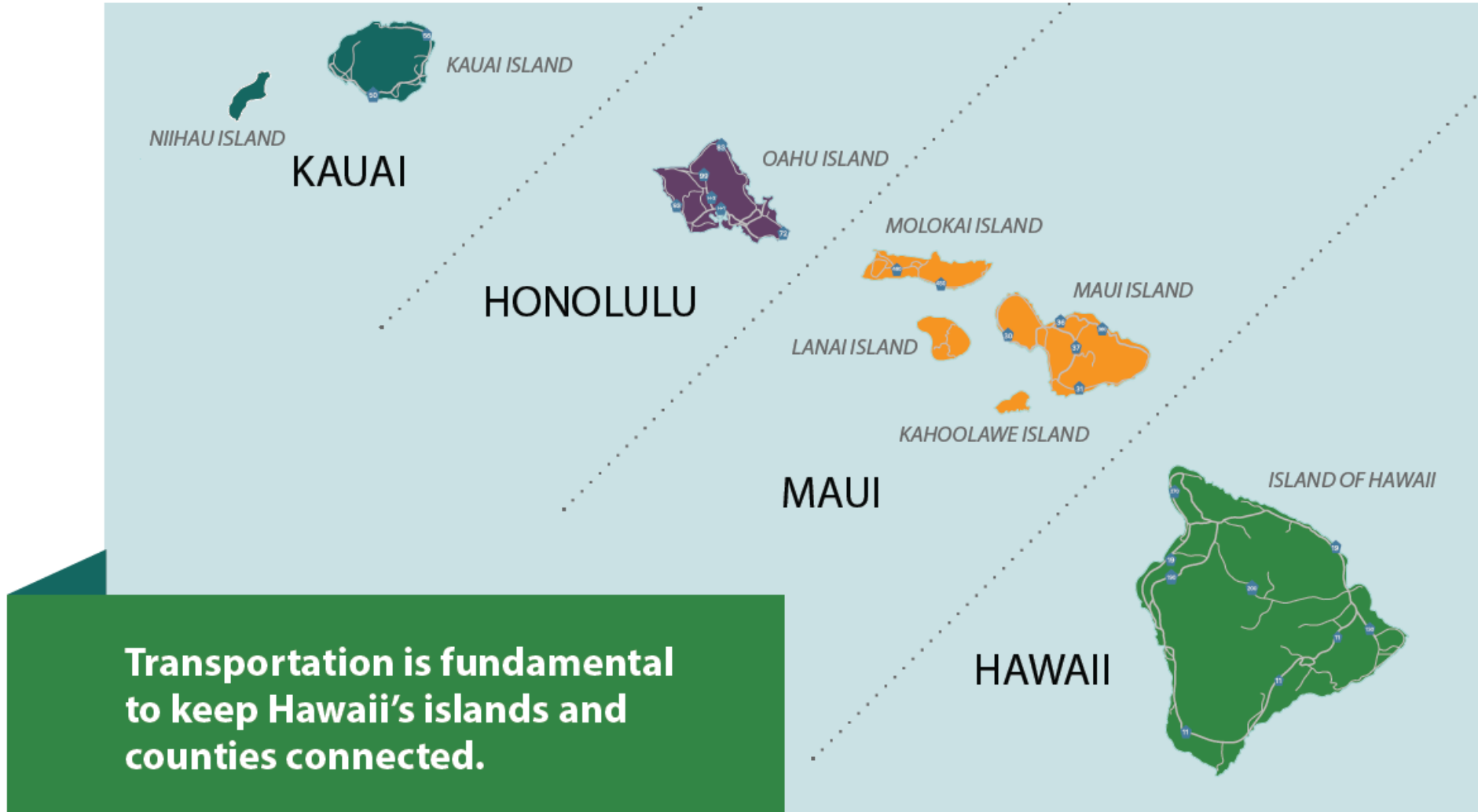


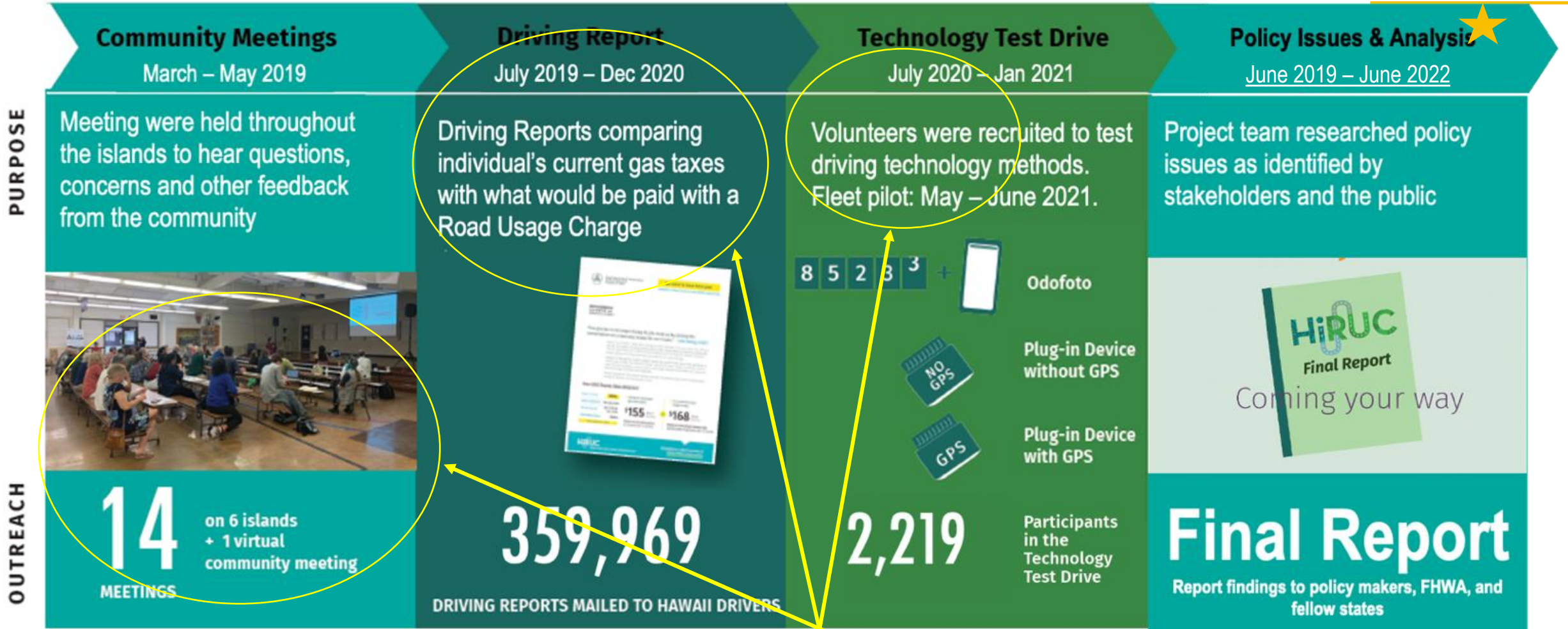
EXHIBIT 1.3: MAP OF HAWAII'S EIGHT PRIMARY ISLANDS AND FOUR COUNTIES

Our HiRUC Advisory Group

- Senator Chris Lee, Chair, Transportation Committee
- Senator Lorraine Inouye, Vice Chair, Transportation Committee
- Senator Ron Kouchi, Senate President
- Representative Scott Saiki, Speaker of the House
- Representative Henry Aquino, Chair, Transportation Committee
- Senator Donovan Dela Cruz, Chair, Ways & Means Committee
- Representative Sylvia Luke, Chair, Finance Committee
- Hawaiian Perspectives
- Tax Foundation of Hawaii
- Hawaii Department of Taxation
- Hawaii County Department of Public Works
- City & County of Honolulu Department of Budget & Fiscal Services
- Kauai Department of Public Works
- Maui Department of Public Works
- AAA
- Blue Planet Foundation
- Chamber of Commerce of Hawaii
- State Department of Business, Economic Development and Tourism
- Hawaii Tourism Authority
- Hawaii Transportation Association

HiRUC – Public and Participant Touchpoints

We are here! ★



Communications Touchpoints



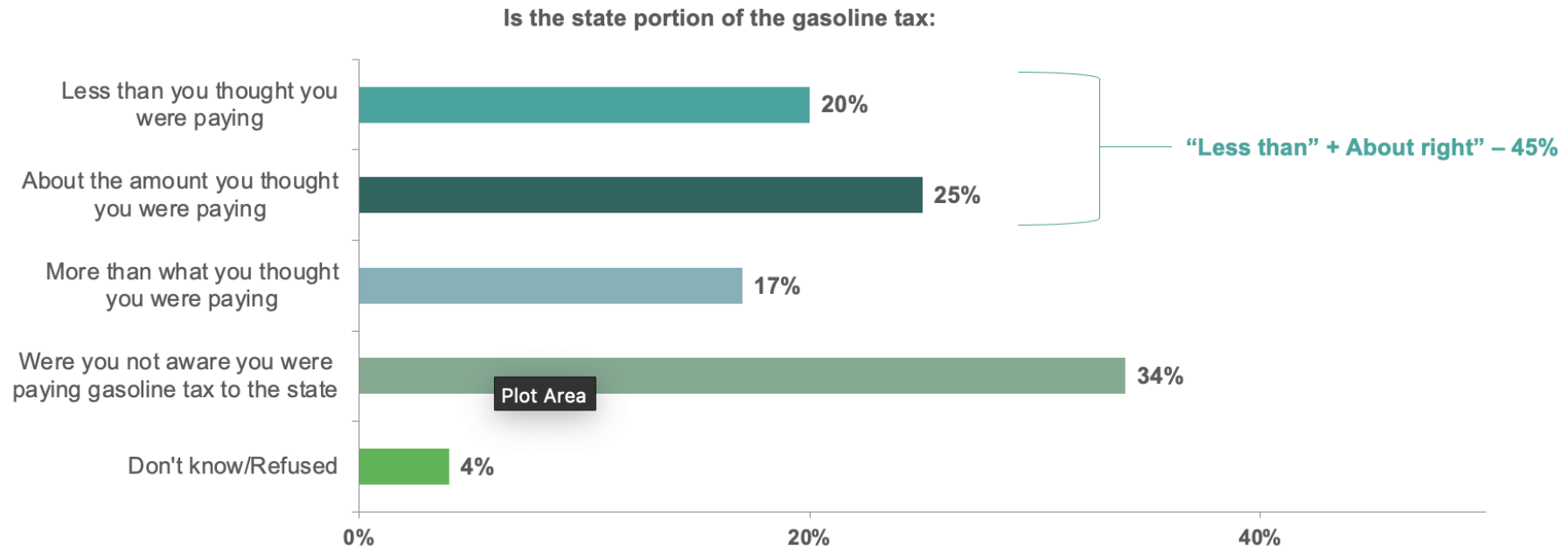
How did we talk about transportation funding as it relates to RUC?

- Funding is decreasing and we must find a source that is:
 - Sustainable
 - **Equitable, and**
 - **aligns with fossil fuel reduction goals** without deterring EV purchases
- RUC is a **replacement for the gas tax**
- This project is about **research and collecting public input**



Preparing for Public Outreach: Gaps & Perceptions

- When told the average resident pays around \$80 in state gasoline taxes, nearly half (45%) of the respondents said it sounded “about right” or “less than” what they thought they paid.
- Interestingly, a third (34%) of the respondents said they were **unaware** of a state gas tax.



Q3: In Hawaii, gasoline taxes are about 50 cents per gallon. The state portion of the gasoline tax is 16 cents per gallon. At the rate of 16 cents per gallon, a typical driver pays about \$80 per year in state gasoline taxes. Is the state portion of the gasoline tax:

Base: (n=1519)

21



Exploring Public Acceptance Factors Through Immersive Experiences: HiRUC Driving Reports

1

Shortly after their vehicle inspections



3

Drivers were presented with a comparison of fuel taxes paid vs. a RUC for their vehicle and a survey for which to respond



Hawaii Department of Transportation
869 Punchbowl Street
Honolulu, HI 96813

2

Drivers received a Driving Report from HDOT

SMITH ELIZABETH K
3426 KAHALA AVE
HONOLULU, HI 96821

8 seconds to capture attention!

We want to hear from you!
Complete a short survey at www.HiRUC.org/survey

"The gas tax is no longer doing its job. Help us by joining the conversation on a new way to pay for our roads." – Jade Butay, HDOT

Hawaii is aiming for 100% clean energy by 2045. Already, there are more fuel-efficient cars on our roads, including some electric ones. Great news, but there's a downside. The per-gallon gas tax is becoming less effective at funding our needed road and bridge upkeep and improvements, because we are using less gas.

Instead of the gas tax, might a system where we pay for how many miles we drive—a road usage charge—work better? Hawaii, along with other states, is taking a careful look. This Driving Report shows how a road usage charge would affect you based on the vehicle you recently had inspected.

Please review the information below and take the short survey online to share your thoughts. Mahalo for sharing your voice.

Your 2012 Toyota RAV4 (HGX212)

Report number	5RX9A
Safety inspection	Dec 20, 2019
Period covered	Jan 2019 to Dec 2019
Total miles driven	10,523

[View details on back](#)

Compare estimated gas taxes paid...

\$155 About \$13/mo.

Based on estimated gallons purchased over 12 months.

to a potential road usage charge.

\$168 About \$14/mo.

Based on miles driven between two passed safety inspections over 12 months.

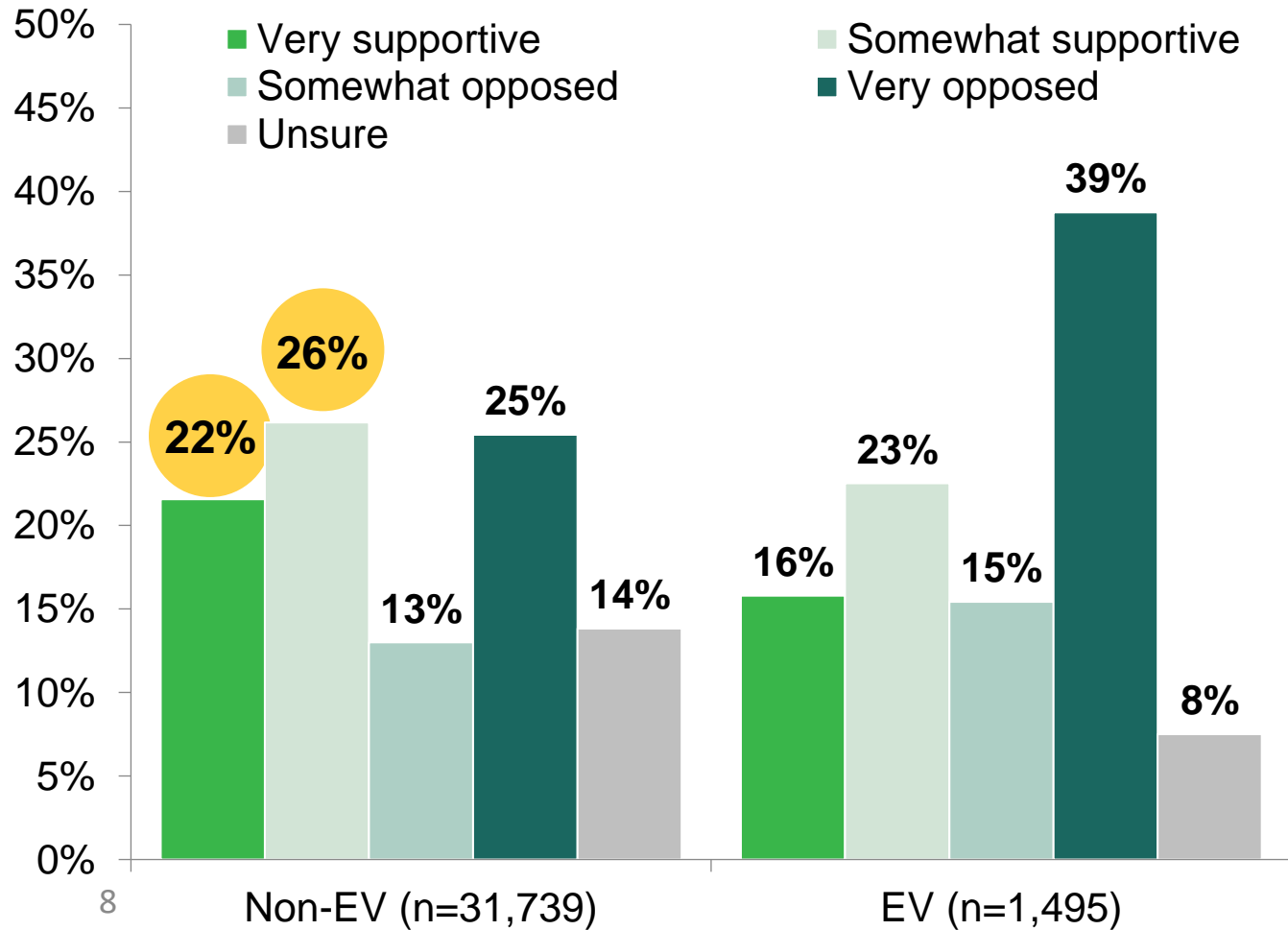
HiRUC
HAWAII ROAD USAGE CHARGE DEMONSTRATION

Complete a short survey at www.HiRUC.org/survey

Driving Report Overall Results: Initial Reaction



What is your initial reaction to the idea of funding roads and bridges in Hawaii through a RUC instead of a gas tax?



Key Takeaways

- ✓ Driving Report led to increasing public support of a RUC
- ✓ Both EV and non-EV drivers were most supportive of a RUC which *collected money to be used only for maintenance and improvement of the state's roads and bridges and/or if rental cars paid a higher rate per mile than other cars.*
- ✓ Revealed that a large majority preferred to pay all at once and have odometer readings collected at their annual safety checks

Effective Communication Tools: Lessons Learned



HDOT learned valuable insights from the public feedback that enabled more effective communication about RUC:

- ✓ Start community meetings in more urban areas where perceived impact is lower.
- ✓ Reached out pro-actively to media to get facts out.
- ✓ Hands-on experience with RUC and customized impact information increased support.
- ✓ Listen carefully to fully understand the public's concern and any regional nuances.
- ✓ Key aspects of RUC must be presented clearly and simply, every time:
 - ✓ RUC is a replacement for the gas tax, not a new tax
 - ✓ if RUC is being studied, remind the public this is a study or exploration
- ✓ Vehicle inspections can be a trusted method for mileage reporting

HDOT Recommendations for Moving Forward

It is time to begin transitioning to RUC as an eventual replacement for the gas tax

1. HDOT recommends a modest first step in that transition:
 - Introduce a RUC for electric vehicles and **eliminate** the annual \$50 EV registration surcharge
 - Charge **EVs 0.8 cents per mile**, equal to the average combustion engine vehicle pays in fuel taxes
 - **Cap the amount paid in** any one year at no greater than the amount the average vehicle pays in gas taxes per year **(\$70 - \$80)**
2. Leverage motor vehicle inspection program as the basis of mileage reporting
3. Continue to work with stakeholders, partner agencies, and the public in establishing the program
4. Seek federal grants to fund up to **70-80%** of program implementation costs.



Mahalo!

tammy.lee@hawaii.gov