Status of Utah’s RUC Program

Cameron Kergaye, PhD, PE, PMP     Director of Research & Innovation
Mobility is Changing

Transportation choices, policies, and population growth are defining Utah’s transportation future.
Utah’s Vehicle Fleet

Total Registered Vehicles
2,864,937 (Feb 2023)

Annual Increase in Registered Vehicles
75,766 (Feb 2022 to Feb 2023)
Size & Growth of Utah’s Vehicle Fleet

Total Registered Vehicles
2,864,937 (Feb 2023)

Year-over-year Growth (%)

- Gasoline
- Diesel
- EV
- PHEV
- Gas Hybrid
- Other Fuel

DATA UPDATED THRU FEB 2023
Utah’s Road Usage Charge Legislation History

2003 / 04: Legislative taskforce, mileage-based funding

2015: HB 362 UDOT study mileage-based revenues; index fuel tax for inflation

2017: SB 174: Transportation Governance & Funding taskforce

2018: SB 136: RUC parameters, Advisory Committee

2019: SB 72: RUC framework, January 2020 enactment

2020: SB 150: 2031 RUC enrollment plan for all vehicles report

2021: SB 82: Created dedicated revenue account for RUC

2022: HB 186: Amended enrollment criteria, rates for alt fuel vehicles

2023: SB 185: RUC revenue sharing with local governments
SB 136 – Transportation Governance Amendments (2018)

- Set up RUC Advisory Committee
- Provide RUC alternative to paying flat fee for:
  - Electric vehicles
  - Plug-in hybrids
  - Gasoline hybrids
- Consider privacy, methods for reporting road usage, & options for administering program
- Implement initial system by January 1, 2020
- Submit annual report of findings
- Future research projects
● Privacy & security protections
● UDOT/DMV information sharing
● Allows owners/lessees to opt into a RUC or pay annual fee
● RUC rate setting process
  ○ Transportation Commission authority to set rate with advisement from UDOT
● Rulemaking authority for UDOT
  ○ To contract CAM & administer program
  ○ Implement enforcement mechanisms such as registration hold
  ○ Other enrollment components
Elements of Utah’s RUC System

**Technology**
- Telematics
- OBD-II
- Digital Odometer

**Privacy**
- Flat Fee or RUC
- Data Retention
- Data Distribution
- User Agreement

**Vehicle Types**
- Electric (EV)
- Plug-in (PHEV)
- Gas Hybrid

**Enrollment**
- Online
- VIN entry
- Initial Odometer Capture
- DMV Interface
- Registration Holds

**Comm Acct Mgr**
- Prepaid Wallet & Cap
- Credit/Debit Card
- Monthly Statement
- User Options
Welcome to Utah’s Road Usage Charge Program

The Future of Utah Transportation
Operated by emovis®
Enrollment Process

1. Enroll online with name, license plate number, and VIN.
2. Provide valid credit or debit card for prepaid wallet.
3. Complete CAM user agreement.
4. Submit initial odometer capture.
## Flat Fees & Mileage Rates

### Annual Flat Fee Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>EV</th>
<th>PHEV</th>
<th>Gas Hybrid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$60.00</td>
<td>$26.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>2020</td>
<td>$90.00</td>
<td>$39.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>2021+</td>
<td>$120.00</td>
<td>$52.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>2022</td>
<td>$123.00</td>
<td>$53.25</td>
<td>$20.50</td>
</tr>
<tr>
<td><strong>2023</strong></td>
<td><strong>$130.25</strong></td>
<td><strong>$56.50</strong></td>
<td><strong>$21.75</strong></td>
</tr>
</tbody>
</table>

### Per-mile Fee

<table>
<thead>
<tr>
<th>Year</th>
<th>All Vehicle Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>N/A</td>
</tr>
<tr>
<td>2020</td>
<td>$0.0150/mile</td>
</tr>
<tr>
<td>2021+</td>
<td>$0.0150/mile</td>
</tr>
<tr>
<td>2022</td>
<td>$0.0152/mile</td>
</tr>
<tr>
<td><strong>2023</strong></td>
<td><strong>$0.0100/mile</strong></td>
</tr>
</tbody>
</table>

*Beginning Jan 2023, only EVs are eligible to enroll; PHEVs/gas hybrids already in the program may remain in the program.
HB 186 – Vehicle Registration Amendments (2022)

- Hybrid/PHEV will only pay an annual flat fee beginning Jan 1, 2023
  - $56.50 for Hybrids
  - $21.75 for PHEVs

- EVs will pay annual flat fee or per-mile fee
  - Beginning 2023: $130.25 or 1.0 cents/mile
  - Beginning 2026: $180 or 1.25 cents/mile
  - Beginning 2032: $240 or 1.5 cents/mile

- Goal: accelerate enrollment
Note: Through December 2022, 6,534 vehicles have enrolled in the program.
Alternative Revenue Approaches for Fuel-Efficient Vehicles

- **EV Charging Tax**
  - Enacted: 6 states
  - Legislation introduced: 7 states

- **Per-mile RUC**
  - Leg. Enacted:
    - US Range: 0.06–1.90¢
    - US Avg: 0.99¢
    - Utah: 1.00¢

- **Annual Fees**
  - EVs: $50–225
  - PHEVs: $15–200
  - Hybrids: $15–120
  - Leg. Enacted:
    - US Avg: $75–$61
    - Utah: $130.25, $56.50, $21.75

- **EV Charge Tax (per kWh)**
  - Leg. Enacted:
    - US Range: $0.026–$0.044
    - US Avg: $0.031
    - Utah*: $0.044

*Utah’s tax is 12.5% of the retail cost; this value assumes retail cost = $0.35/kWh

**Note:** Current as of May 11, 2023
Revenues from Flat Fees & RUC

5-year Revenues

- Flat fees: $14,830,000 (95.3%)
- RUC: $738,000 (4.7%)
- Total: $15,568,000
Next Steps: RFI & RFP

- Telematics
- Ping Rates
- Odometer Photo Capture via Text
- Lower Costs
- Release RFI in June
- Release RFP in July
HB 301 – Transportation Tax Amendments (2023)

- Lowers fuel tax rate from 36.4 cents to 34.5 cents effective July 1, 2023
- Increases fuel tax rate cap for the next few years until it reaches 42.0 cents
- Increases registration fees by $7 effective January 1, 2024
- Establishes a 12.5% tax on the retail sale of electricity at public EV charging stations
SB 185 – Transportation Amendments (2023)

- Allows UDOT to spend/transfer funds in RUC Special Rev Fund without an appropriation
- Allows UDOT to transfer excess funds (funds not needed for RUC program administration) from RUC Special Revenue Fund to general Transportation Fund
  - Excess RUC revenue transferred to the Transportation Fund would be apportioned 70% to UDOT and 30% to cities/counties, as is the case with fuel taxes
Transportation Funding Must Adapt

**Fair**
- Maintains link between road usage and road funding – improves transportation equity

**Sustainable**
- Supports EV adoption by giving options to owners of alternative fuel vehicles (mileage fee or registration fee)

**Community-minded**
- Helps stabilize infrastructure funding to improve access to opportunities and foster community growth.

**Innovative**
- Adapts to Utah’s changing fleet and funding sources while enabling reliable infrastructure
Status of Utah’s RUC Program

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Thank You