



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 3a

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*Memorandum*

TO: Legislation Committee

DATE: April 4, 2014

FR: Executive Director

W. I. 1131

RE: SB 1077 (DeSaulnier): Vehicle-Miles-Traveled Pilot Fee Program

**Background**

SB 1077 requires the California Department of Motor Vehicles to develop and implement a pilot program to assess various issues related to implementing a vehicle-miles-traveled (VMT) fee in California. Issues to be examined include:

- Methods for calculating mileage
- Processes for transmitting data to protect the integrity
- Types of equipment required and a discussion of the pros and cons of the equipment

The bill requires the DMV to prepare and submit a report to the Legislature by June 30, 2016 that examines issues the Legislature should consider when evaluating whether to implement a VMT fee, including how to minimize confusion and inconvenience to California drivers, while also ensuring their privacy, and ways to transition from the fuel tax to a VMT fee over time.

**Recommendation: Support**

**Discussion**

MTC staff believes it makes sense for California to begin a more serious examination of the implementation needs and challenges associated with instituting a vehicle-miles-traveled fee in this state. While such a program represents a significant change that raises numerous policy questions related to collection cost and privacy (among other issues), SB 1077 is a useful starting point that would provide additional key information necessary to enable an informed discussion of the merits and challenges of establishing a VMT fee in California. For this reason, staff recommends we support the bill.

**Known Positions**

**Support**

American Council of Engineering Companies  
Self Help Counties Coalition  
Transportation California (Sponsor)

**Oppose**

Steve Heminger