



VEHICLE MILES TRAVELED (VMT) FEE



WHO



STATE

COST TO COLLECT



LONGEVITY



RELIABILITY



IMPLEMENTATION



WHO'S DONE IT: OREGON

In 2006, Oregon launched the Oregon Mileage Fee Concept and Road User Fee Pilot Program.



This program equipped vehicles with an onboard unit that used GPS technology to determine a vehicle's location. Total vehicle miles were then transmitted to a billing center whenever participants fueled up their vehicle at a participating service station.

As a result of this pilot study, the Oregon Department of Transportation (ODOT) concluded that:

- A VMT fee concept is **viable**.
- Motorists can pay these fees at the pump with **minimal difference in process or administration**.
- ODOT can **phase in the fee alongside the state fuel tax** and integrate the fee with existing revenue systems.
- The system allows for **protection of driver privacy**.

As a result of these findings, in 2013, the Oregon Legislature passed legislation creating the nation's first distance-based road user charge on passenger vehicles, replacing the state motor fuel tax. **Specifically, this legislation initiated a program allowing 5,000 Oregon drivers to enroll in the program beginning July 1, 2015.**

More Information: tti.tamu.edu/policy/how-to-fund-transportation

Description

A vehicle miles traveled (VMT) fee charges drivers based on the number of miles each vehicle travels. This fee directly relates to road usage as opposed to the fuel tax, which is based on fuel efficiency and fuel consumed. Collection options range from annual odometer readings to tracking miles on each type of road system (city, county, state) and assigning revenue accordingly. Per-mile rates could vary based on any number of factors including vehicle type, weight, or age, among others.

How Will This Help?

- **Charges a fee based on actual roadway usage.**
- **Protects transportation revenues** from technological improvements in fuel efficiency.

- **Provides more efficient funding distribution** by allowing local entities to more accurately identify where travel is occurring and where revenue is being generated.

What's the Downside?

- It may present privacy issues in collecting the tax when implemented, especially if location data are collected.
- The legislature and the public generally oppose tax or fee increases.
- VMT fees may require a more costly and complex system of collection than fuel taxes. Depending on how they are assessed, VMT fees could be harder to collect.

ESTIMATED FUND YIELD FROM 2016-2019

0.1 cent per mile yields \$1.1 billion for transportation

0.5 cent per mile yields \$5.3 billion for transportation

