

AMENDED IN ASSEMBLY AUGUST 21, 2014

AMENDED IN ASSEMBLY AUGUST 4, 2014

AMENDED IN ASSEMBLY JUNE 25, 2014

AMENDED IN ASSEMBLY JUNE 16, 2014

AMENDED IN SENATE APRIL 21, 2014

SENATE BILL

No. 1077

Introduced by Senator DeSaulnier
(Coauthor: Assembly Member Lowenthal)

February 19, 2014

An act to add and repeal Chapter 7 (commencing with Section 3090) of Division 2 of, and to repeal Chapter 7 (commencing with former Section 3100) of Division 2 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1077, as amended, DeSaulnier. Vehicles: ~~mileage-based fee road usage charge~~ pilot program.

Existing law establishes the Transportation Agency, which consists of the Department of the California Highway Patrol, the California Transportation Commission, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.

This bill would ~~establish a Mileage-Based Fee (MBF) Task Force within the California Transportation Commission, as specified~~ *require the Chair of the California Transportation Commission to create a Road Usage Charge (RUC) Technical Advisory Committee in consultation with the Secretary of the Transportation Agency.* The bill

would require the ~~task force~~ *technical advisory committee* to study ~~MBF RUC~~ alternatives to the gas tax and to make recommendations to the ~~commission~~ *Secretary of the Transportation Agency* on the design of a pilot program, as specified. The bill would also authorize the ~~task force~~ *technical advisory committee* to make recommendations on the criteria to be used to evaluate the pilot program. The bill would require the ~~task force~~ *technical advisory committee* to consult with specified entities and to consider certain factors in carrying out its duties. ~~The bill would require the commission to approve the design of a pilot program by January 1, 2016.~~ The bill would require the Transportation Agency, based on the ~~design approved by the commission~~ *recommendations of the technical advisory committee*, to implement a pilot program to identify and evaluate issues related to the potential implementation of an ~~MBF RUC~~ program in California by January 1, 2017. The bill would require the agency to prepare and submit a report of its findings to the ~~task force~~ *technical advisory committee*, the commission, and the appropriate fiscal and policy committees of the Legislature by no later than ~~January 1~~ *June 30, 2018*, as specified. The bill would also require the commission to include its recommendations regarding the pilot program in its annual report to the Legislature, as specified. The bill would repeal these provisions on January 1, 2019.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) An efficient transportation system is critical for California's
- 4 economy and quality of life.
- 5 (b) The revenues currently available for highways and local
- 6 roads are inadequate to preserve and maintain existing
- 7 infrastructure and to provide funds for improvements that would
- 8 reduce congestion and improve service.
- 9 (c) The gas tax is an ineffective mechanism for meeting
- 10 California's long-term revenue needs because it will steadily
- 11 generate less revenue as cars become more fuel efficient and
- 12 alternative sources of fuel are identified. By 2030, as much as half
- 13 of the revenue that could have been collected will be lost to fuel
- 14 efficiency. Additionally, bundling fees for roads and highways

1 into the gas tax makes it difficult for users to understand the amount
2 they are paying for roads and highways.

3 (d) Other states have begun to explore the potential for a
4 ~~mileage-based fee road usage charge~~ to replace traditional gas
5 taxes, including the State of Oregon, which established the first
6 permanent road user-fee charge program in the nation.

7 (e) *Road usage charging is a policy whereby motorists pay for*
8 *the use of the roadway network based on the distance they travel.*
9 *Drivers pay the same rate per mile driven, regardless of what part*
10 *of the roadway network they use.*

11 (e)

12 (f) A ~~mileage-based fee road usage charge~~ program has the
13 potential to distribute the gas tax burden across all vehicles
14 regardless of fuel source and to minimize the impact of the current
15 regressive gas tax structure.

16 (f)

17 (g) Experience to date in other states across the nation
18 demonstrates that ~~mileage-based user fees charges~~ can be
19 implemented in a way that ensures data security and maximum
20 privacy protection for drivers.

21 (g)

22 (h) It is therefore important that the state begin to explore
23 alternative revenue sources that may be implemented in lieu of the
24 antiquated gas tax structure now in place.

25 (h)

26 (i) Any exploration of alternative revenue sources shall take
27 privacy implications into account, especially with regard to location
28 data, ~~which does not need to be personally identifiable to raise~~
29 ~~serious privacy concerns because studies have shown that this type~~
30 ~~of data is easy to reidentify.~~ *data. Travel locations or patterns*
31 *shall not be reported, and legal and technical safeguards shall*
32 *protect personal information.*

33 SEC. 2. Chapter 7 (commencing with Section 3090) is added
34 to Division 2 of the Vehicle Code, to read:

35

36 CHAPTER 7. ~~MILEAGE-BASED FEE ROAD USAGE CHARGE PILOT~~
37 PROGRAM
38

39 3090. (a) ~~The Mileage-Based Fee (MBF) Task Force is hereby~~
40 ~~established within the California Transportation Commission.~~*The*

1 *Chair of the California Transportation Commission shall create,*
2 *in consultation with the Secretary of the Transportation Agency,*
3 *a Road Usage Charge (RUC) Technical Advisory Committee.*

4 (b) ~~The purpose of the task force technical advisory committee~~
5 ~~is to guide the development and evaluation of a pilot program to~~
6 ~~assess the potential for mileage-based revenue collection for~~
7 ~~California's roads and highways as an alternative to the gas tax~~
8 ~~system.~~

9 (c) ~~The task force technical advisory committee shall consist of~~
10 ~~15 members, as follows:~~

11 (1) ~~Two members of the Assembly, appointed by the Speaker~~
12 ~~of the Assembly.~~

13 (2) ~~Two members of the Senate, appointed by the Senate~~
14 ~~Committee on Rules.~~

15 (3) ~~Two members of the commission, appointed by the~~
16 ~~chairperson of the commission.~~

17 (4) ~~Nine members appointed by the Governor. In making these~~
18 ~~appointments, the Governor members. In selecting the members~~
19 ~~of the technical advisory committee, the chair shall consider~~
20 ~~individuals who are representative of the telecommunications~~
21 ~~industry, highway user groups, the data security and privacy~~
22 ~~industry, privacy rights advocacy organizations, regional~~
23 ~~transportation agencies, and national research and policymaking~~
24 ~~bodies, including, but not limited to, the Transportation Research~~
25 ~~Board and the American Association of State Highway and~~
26 ~~Transportation Officials, members of the Legislature, and other~~
27 ~~relevant stakeholders as determined by the chair.~~

28 (d) ~~Members of the task force are entitled to compensation of~~
29 ~~one hundred dollars (\$100) per day, if a majority of the commission~~
30 ~~approves the compensation by a recorded vote, plus the necessary~~
31 ~~expenses incurred by a member in the performance of his or her~~
32 ~~duties. Compensation earned by members of the commission while~~
33 ~~serving on the task force shall not be subject to the eight hundred~~
34 ~~dollars (\$800) limitation described in Section 14509 of the~~
35 ~~Government Code.~~

36 (e)

37 (d) Pursuant to Section 14512 of the Government Code, the task
38 force technical advisory committee may request the Department
39 of Transportation to perform such work as the task force technical

1 *advisory committee* deems necessary to carry out its duties and
2 responsibilities.

3 ~~(f)~~

4 ~~(e)~~ The ~~task force~~ *technical advisory committee* shall study ~~MBF~~
5 *RUC* alternatives to the gas tax. The ~~task force~~ *technical advisory*
6 *committee* shall gather public comment on issues and concerns
7 related to the pilot program and shall make recommendations to
8 the ~~commission~~ *Secretary of the Transportation Agency* on the
9 design of a pilot program to test alternative ~~MBF~~ *RUC* approaches.
10 The ~~task force~~ *technical advisory committee* may also make
11 recommendations to the ~~commission~~ on the criteria to be used to
12 evaluate the pilot program. ~~The commission shall approve the~~
13 ~~design of a pilot program by January 1, 2016.~~

14 ~~(g)~~

15 ~~(f)~~ In studying alternatives to the current gas tax system and
16 developing recommendations on the design of a pilot program to
17 test alternative ~~MBF~~ *RUC* approaches pursuant to subdivision ~~(f)~~
18 ~~(e)~~, the ~~task force~~ *technical advisory committee* shall take all of
19 the following into consideration:

20 (1) The availability, adaptability, reliability, and security of
21 methods that might be used in recording and reporting highway
22 use.

23 (2) The necessity of protecting all personally identifiable
24 information used in reporting highway use.

25 (3) The ease and cost of recording and reporting highway use.

26 (4) The ease and cost of administering the collection of taxes
27 and fees as an alternative to the current system of taxing highway
28 use through motor vehicle fuel taxes.

29 (5) Effective methods of maintaining compliance.

30 (6) The ease of reidentifying location data, even when personally
31 identifiable information has been removed from the data.

32 (7) Increased privacy concerns when location data is used in
33 conjunction with other ~~technologies, such as automatic license~~
34 ~~plate readers.~~ *technologies*.

35 (8) Public and private agency access, including law enforcement,
36 to data collected and stored for purposes of the ~~MBF~~ *RUC* to ensure
37 individual privacy rights are protected pursuant to Section 1 of
38 Article I of the California Constitution.

39 ~~(h)~~

1 (g) The ~~task force~~ *technical advisory committee* shall consult
2 with highway users and transportation stakeholders, including
3 representatives of vehicle users, vehicle manufacturers, and fuel
4 distributors as part of its duties pursuant to subdivision ~~(g)~~ (f).

5 3091. (a) Based on the ~~design approved by the commission~~
6 *recommendations of the RUC Technical Advisory Committee*, the
7 Transportation Agency shall implement a pilot program to identify
8 and evaluate issues related to the potential implementation of an
9 **MBF RUC** program in California by January 1, 2017.

10 (b) At a minimum, the pilot program shall accomplish all of the
11 following:

12 (1) Analyze alternative means of collecting road usage data,
13 including at least one alternative that does not rely on electronic
14 vehicle location data.

15 (2) Collect a minimum amount of personal information including
16 location tracking information, necessary to implement the ~~MBF~~
17 *RUC* program.

18 (3) Ensure that processes for collecting, managing, storing,
19 transmitting, and destroying data are in place to protect the integrity
20 of the data and safeguard the privacy of drivers.

21 (c) The agency shall not disclose, distribute, make available,
22 sell, access, or otherwise provide for another purpose, personal
23 information or data collected through the ~~MBF RUC~~ program to
24 any private entity or individual unless authorized by a court order,
25 as part of a civil case, by a subpoena issued on behalf of a
26 defendant in a criminal case, by a search warrant, or in aggregate
27 form with all personal information removed for the purposes of
28 academic research.

29 3092. (a) The Transportation Agency shall prepare and submit
30 a report of its findings based on the results of the pilot program to
31 the ~~MBF Task Force RUC Technical Advisory Committee~~, the
32 California Transportation Commission, and the appropriate policy
33 and fiscal committees of the Legislature by no later than ~~January~~
34 *June 30*, 2018. The report shall include, but not be limited to, a
35 discussion of all of the following issues:

36 (1) Cost.

37 (2) Privacy, including recommendations regarding public and
38 private access, including law enforcement, to data collected and
39 stored for purposes of the ~~MBF RUC~~ to ensure individual privacy

1 rights are protected pursuant to Section 1 of Article I of the
2 California Constitution.

3 (3) Jurisdictional issues.

4 (4) Feasibility.

5 (5) Complexity.

6 (6) Acceptance.

7 (7) Use of revenues.

8 (8) Security and compliance, including a discussion of processes
9 and security measures necessary to minimize fraud and tax evasion
10 rates.

11 (9) Data collection technology, including a discussion of the
12 advantages and disadvantages of various types of data collection
13 equipment and the privacy implications and considerations of the
14 equipment.

15 (10) Potential for additional driver services.

16 (11) Implementation issues.

17 (b) The California Transportation Commission shall include its
18 recommendations regarding the pilot program in its annual report
19 to the Legislature as specified in Sections 14535 and 14536 of the
20 Government Code.

21 3093. This chapter shall remain in effect only until January 1,
22 2019, and as of that date is repealed, unless a later enacted statute,
23 that is enacted before January 1, 2019, deletes or extends that date.

24 SEC. 3. Chapter 7 (commencing with former Section 3100) of
25 Division 2 of the Vehicle Code is repealed.