# RUC AND Road usage charge PROJECT



#### STATE HIGHWAY FUND REVENUE

FUEL TAX (LARGEST REVENUE)

30%

VEHICLE WEIGHT TAX

29%

CAR RENTAL/TOUR VEHICLE SURCHARGE TAX

SUKCHARGE TAX

19%

VEHICLE REGISTRATION FEES

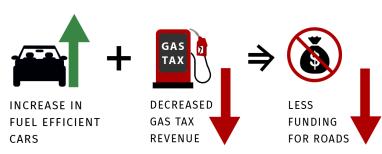
16%

OTHER

6%





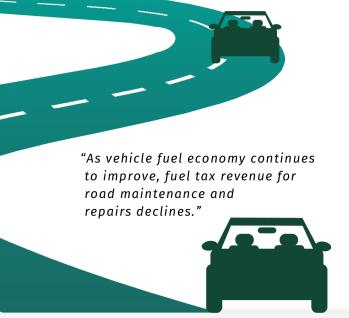


#### WHAT IS A "ROAD USAGE CHARGE?"

A road usage charge (RUC) is a per-mile fee that drivers pay to fund the upkeep of the roads instead of paying a tax on gasoline. RUC is similar to how we pay for other public utilities, such as water or electricity. Each driver pays for exactly how much they use.

#### WHY IS HAWAII RESEARCHING THIS?

We currently pay for our roads through a gas tax. As Hawaii moves toward 100 percent renewable energy by 2045, the transition from traditional gasoline vehicles to hybrids, alternative fuel or electric vehicles likely will accelerate. Vehicles will use less gas, and electric cars will use none. While this shift will align with our state and county energy and environmental sustainability goals, it means less funding to upkeep roads. HDOT is studying RUC as a way to prepare for a future with less gas and gas tax.





For more info, Please contact:

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## **ROAD USAGE CHARGE**

#### **36-MONTH DEMONSTRATION PROJECT**

#### HDOT is exploring RUC as one possible funding solution

The Hawaii Department of Transportation (HDOT) is anticipating a decline in our state's gas tax funding and researching alternative ways to pay for our roadways. In its 2016 Feasibility Study of Mileage-Based Fees, HDOT found promise in a per-mile road usage charge for future roadway funding. First, though, we must answer important questions. How would HiRUC affect people who live in rural areas? How would HiRUC affect various types of households? How expensive will it be to administer HiRUC? How will driver privacy be protected? These, and other issues, require additional research and testing.











PROJECT INCEPTION

DRIVING REPORT

RECRUIT VOLUNTEERS

AUTOMATED MILEAGE REPORTING

EVALUATE/ ANALYZE

### **START**

HDOT was awarded \$4 million from the Federal Highway Administration (FHWA) to conduct a public demonstration of a road usage charge system.

This three-year project will allow Hawaii drivers to experience what a RUC system will be like. The demonstration will help HDOT understand how people feel about RUC and what their concerns are. Public participation and feedback will help guide development of future funding options.

# VEHICLE OWNERS RECEIVE STATEMENT

- Customized simulated invoice distributed by mail.
- Invoice will estimate how much each vehicle owner might have paid in RUC compared to gas taxes.

A second part of the demonstration project features volunteers testing new ways to report mileage including submitting an odometer photo via smartphone app, or using invehicle technology, such as mileage-meters.

# PROJECT COMPLETION

The HiRUC research team will be conducting surveys of drivers and inviting their direct feedback on potential tools for the system. Feedback will help HDOT and policymakers better understand what drivers would prefer in a RUC system.

Approximately 2,000 volunteers, statewide, will be recruited to test various technologies and reporting methods.

#### FINAL RESULTS

- Evaluate.
- Summarize driver's experience and stakeholder's feed back.
- Recommend possi ble ways to do RUC in Hawaii.
- Report to Legislature.