

**ASSEMBLY BILL**

**No. 1421**

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**Introduced by Assembly Member Wilson**

February 21, 2025

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An act to amend Section 3093 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1421, as introduced, Wilson. Vehicles: Road Usage Charge Technical Advisory Committee.

Existing law requires the Chair of the California Transportation Commission to create a Road Usage Charge Technical Advisory Committee in consultation with the Secretary of Transportation to guide the development and evaluation of a pilot program assessing the potential for mileage-based revenue collection as an alternative to the gas tax system. Existing law additionally requires the Transportation Agency, in consultation with the commission, to implement the pilot program, as specified. Existing law repeals these provisions on January 1, 2027.

This bill would extend the operation of the above-described provisions until January 1, 2035. The bill would also make related findings and declaration.

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:

1 (a) State funding for transportation comes mainly from six  
2 different fuel taxes and vehicle fees dedicated to specific purposes.  
3 These sources generated about \$14,000,000,000 in the 2023–24  
4 fiscal year.

5 (b) The gasoline excise tax is by far the largest of these charges.  
6 The tax is 57.9 cents per gallon and generated about  
7 \$7,800,000,000 in fiscal year 2023–24.

8 (c) California relies on gasoline and diesel tax revenue to build  
9 and maintain its highways, public transit, and other transportation  
10 infrastructure, which is a problem in a state aggressively pushing  
11 a transition to electric vehicles (EVs).

12 (d) Since the passage of Senate Bill 1 (Chapter 5, Statutes of  
13 2017), gas taxes have begun to lag, in large part due to Californians  
14 adopting lower emission vehicles. The state’s climate goals,  
15 including the switch to zero-emission vehicles (ZEVs) and  
16 reductions in statewide per capita vehicle miles traveled for  
17 light-duty vehicles, are projected to reduce fuel tax revenues in  
18 the coming years.

19 (e) California’s gas revenues have steadily increased over the  
20 last decade as lawmakers hike tax rates, but that curve is projected  
21 to turn downwards as more drivers switch to EVs.

22 (f) Californians have purchased more than a million EVs in the  
23 last four years, according to the California Energy Commission.  
24 Those numbers will continue to increase as a result of the state’s  
25 mandate for all new car sales to be ZEVs by 2035.

26 (g) The Legislative Analyst’s Office projects revenues will  
27 decline by as much as \$2,000,000,000 annually by 2030 and up  
28 to \$4,000,000,000 annually by 2035. A study by the Mineta  
29 Transportation Institute estimated a reduction in revenues of  
30 between \$4,800,000,000 and \$12,100,000,000 by 2040.

31 (h) The California Transportation Commission projects that the  
32 state will collect \$31,300,000,000 less in fuel excise tax revenue  
33 due to increased fuel efficiency and the proliferation of ZEVs over  
34 the next decade.

35 (i) Collectively, various states and the federal government have  
36 undertaken research and exploration of possible revenue  
37 mechanisms to supplement or replace the fuel excise tax.

38 (j) In 2014, the Legislature passed Senate Bill 1077 (Chapter  
39 835, Statutes of 2014) which created the Road Usage Charge  
40 Technical Advisory Committee (RUC TAC). The RUC TAC was

1 charged with the development and evaluation of an authorized  
2 pilot program to assess the potential for a mileage-based financing  
3 mechanism for California’s roads and highways as an alternative  
4 to the fuel excise tax system.

5 (k) In 2017, California completed the SB 1077 pilot program,  
6 which enrolled more than 5,000 vehicles that reported more than  
7 37,000,000 miles over a nine-month period. Importantly, the  
8 collection of revenue was simulated in the pilot program through  
9 mock invoices and payments.

10 (l) The final pilot program report found further testing of the  
11 revenue collection processes should be the next step to undertake  
12 in order for California to evaluate revenue flows and identify  
13 challenges, efficiencies, and synergies for possible road user charge  
14 implementation.

15 (m) Presently, the state is analyzing the financial impacts of a  
16 road user charge on supercommuters, as well as additional  
17 engagement with rural communities and tribal nations to better  
18 inform constituencies on a road charge concept.

19 (n) The benefit of a road use charge is that it could be structured  
20 to provide gas tax relief to low-income drivers.

21 (o) Implementing a road use charge in a way that appeals to  
22 both low- and moderate-income households and urban and rural  
23 communities across the state’s diverse geography will require  
24 significant education, negotiation, and compromise.

25 SEC. 2. Section 3093 of the Vehicle Code is amended to read:  
26 3093. This chapter shall remain in effect only until January 1,  
27 ~~2027~~, 2035, and as of that date is repealed, unless a later enacted  
28 statute, that is enacted before January 1, ~~2027~~, 2035, deletes or  
29 extends that date.