

AMENDED IN ASSEMBLY JANUARY 5, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1421

Introduced by Assembly Member Wilson

February 21, 2025

An act to amend Section 3093 of ~~add Section 3092.7 to~~ the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1421, as amended, 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.~~

This bill would require the commission, in consultation with the Transportation Agency, to consolidate and prepare research and recommendations related to a road user charge or a mileage-based fee system. The bill would require the commission to submit a report, as specified, on the research and recommendations described above to the appropriate policy and fiscal committees of the Legislature by no

later than January 1, 2027. The bill would require the commission to consult with appropriate state agencies and other stakeholders, as specified, in preparing the research and recommendations and report described above.

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. Section 3092.7 is added to the Vehicle Code, to
2 read:

3 3092.7. (a) The California Transportation Commission, in
4 consultation with the Transportation Agency, shall consolidate
5 and prepare research and recommendations related to a road user
6 charge or a mileage-based fee system. The research and
7 recommendations shall incorporate existing findings from state
8 and academic sources, including the report prepared by the
9 Transportation Agency pursuant to Section 3092.5.

10 (b) By no later than January 1, 2027, the commission shall
11 prepare and submit a report in compliance with Section 9795 of
12 the Government Code to the appropriate policy and fiscal
13 committees of the Legislature on the research and
14 recommendations described in subdivision (a). The report shall
15 cover all of the following topics:

16 (1) The current and future inequities related to low-income
17 drivers commuting farther in less efficient vehicles.

18 (2) The impact of a weight-per-mile fee for commercial and
19 electric vehicles on the motor vehicle industry.

20 (3) Regional and state solutions for implementing a road user
21 charge in California, including capturing out-of-state vehicles.

22 (c) In preparing the research and recommendations specified
23 in subdivision (a) and the report described in subdivision (b), the
24 commission shall consult with all of the following:

25 (1) Appropriate state agencies, which may include, but are not
26 limited to, the Department of Transportation, the Department of
27 Motor Vehicles, the California Department of Tax and Fee
28 Administration, and the Controller.

29 (2) Representatives of local governments.

30 (3) Regional transportation planning agencies.

31 (4) Privacy and data security experts.

- 1 (5) *Equity and environmental justice organizations.*
- 2 (6) *Academic researchers.*
- 3 (7) *Transportation user groups.*
- 4 (8) *Organizations representing zero-emission vehicle owners*
5 *and manufacturers.*
- 6 (9) *Any other stakeholders the commission deems appropriate.*

7 SECTION 1. The Legislature finds and declares all of the
8 following:

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

13 (b) The gasoline excise tax is by far the largest of these charges.
14 The tax is 57.9 cents per gallon and generated about
15 \$7,800,000,000 in fiscal year 2023–24.

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

20 (d) Since the passage of Senate Bill 1 (Chapter 5, Statutes of
21 2017), gas taxes have begun to lag, in large part due to Californians
22 adopting lower emission vehicles. The state's climate goals,
23 including the switch to zero-emission vehicles (ZEVs) and
24 reductions in statewide per capita vehicle miles traveled for
25 light-duty vehicles, are projected to reduce fuel tax revenues in
26 the coming years.

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

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

34 (g) The Legislative Analyst's Office projects revenues will
35 decline by as much as \$2,000,000,000 annually by 2030 and up
36 to \$4,000,000,000 annually by 2035. A study by the Mineta
37 Transportation Institute estimated a reduction in revenues of
38 between \$4,800,000,000 and \$12,100,000,000 by 2040.

39 (h) The California Transportation Commission projects that the
40 state will collect \$31,300,000,000 less in fuel excise tax revenue

1 due to increased fuel efficiency and the proliferation of ZEVs over
2 the next decade.

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

6 (j) In 2014, the Legislature passed Senate Bill 1077 (Chapter
7 835, Statutes of 2014) which created the Road Usage Charge
8 Technical Advisory Committee (RUC TAC). The RUC TAC was
9 charged with the development and evaluation of an authorized
10 pilot program to assess the potential for a mileage-based financing
11 mechanism for California's roads and highways as an alternative
12 to the fuel excise tax system.

13 (k) In 2017, California completed the SB 1077 pilot program,
14 which enrolled more than 5,000 vehicles that reported more than
15 37,000,000 miles over a nine-month period. Importantly, the
16 collection of revenue was simulated in the pilot program through
17 mock invoices and payments.

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

23 (m) Presently, the state is analyzing the financial impacts of a
24 road user charge on superecommuters, as well as additional
25 engagement with rural communities and tribal nations to better
26 inform constituencies on a road charge concept.

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

29 (o) Implementing a road use charge in a way that appeals to
30 both low- and moderate-income households and urban and rural
31 communities across the state's diverse geography will require
32 significant education, negotiation, and compromise.

33 SEC. 2. Section 3093 of the Vehicle Code is amended to read:
34 3093. This chapter shall remain in effect only until January 1,
35 2035, and as of that date is repealed, unless a later enacted statute,
36 that is enacted before January 1, 2035, deletes or extends that date.