

AMENDED IN ASSEMBLY JANUARY 5, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

**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~~ *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 supercommuters, 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.