

AMENDED IN SENATE APRIL 21, 2014

**SENATE BILL**

**No. 1077**

---

---

**Introduced by Senator DeSaulnier**

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: ~~vehicle-miles-traveled charges.~~ *mileage-based fee pilot program.*

Existing law establishes the ~~Department of Motor Vehicles and provides for its general powers and duties, including, among other things, the registration of vehicles, the licensing of drivers, and the regulation of vehicles generally.~~ *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 require the ~~Department of Motor Vehicles~~ *agency* to ~~develop and implement,~~ *develop,* by ~~July 1, 2015,~~ *January 1, 2016,* a pilot program designed to assess specified issues related to implementing a ~~vehicle-miles-traveled~~ *mileage-based fee (MBF)* in California to *replace the state's existing fuel excise tax.* *The bill would require the agency, at a minimum, to assess certain issues related to implementing an MBF, including, among others, different methods for calculating mileage and collecting road use information, processes for managing, storing, transmitting, and destroying data to protect the integrity of the*

*data and ensure drivers’ privacy, and costs associated with the implementation and operation of the MBF system, as specified. The bill would also require the department to prepare and submit a specified report of its findings to the policy and fiscal committees of the Legislature no later than June 30, 2016 2017. The bill would require the report to include, among other things, recommendations on how best to implement an MBF, as specified, and recommendations regarding public and private agency access to MBF data that ensures privacy rights as protected by the California Constitution. The bill would provide that repeal these provisions would be repealed on January 1, 2018.*

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

3  
 4 CHAPTER 7. ~~VEHICLE MILES TRAVELED~~ MILEAGE-BASED FEE  
 5 PILOT PROGRAM  
 6

7 3090. (a) ~~The department~~ *Transportation Agency shall develop*  
 8 ~~and implement,~~ *develop,* by ~~July 1, 2015,~~ *January 1, 2016,* a pilot  
 9 program designed ~~to assess the following issues related to~~  
 10 ~~implementing a vehicle-miles-traveled (VMT) fee in California~~  
 11 *to explore various methods for using a mileage-based fee (MBF)*  
 12 *to replace the state’s existing fuel excise tax. The agency, at a*  
 13 *minimum, shall assess the following issues related to implementing*  
 14 *an MBF in California:*

15 (1) *Different methods for calculating mileage and collecting*  
 16 *road usage information that include alternatives to using electronic*  
 17 *vehicle location data. Any methods considered shall collect the*  
 18 *minimum amount of personal information, including location*  
 19 *tracking information, necessary to accomplish the goals of the*  
 20 *MBF.*

21 (2) ~~Processes for transmitting~~ *For methods involving vehicle*  
 22 *location data, processes for managing, storing, transmitting, and*  
 23 *destroying data to protect the integrity of the data and ensure*  
 24 ~~drivers’~~ *the privacy of drivers.*

1 (3) Types of equipment that may be required of the state and of  
2 drivers in order to implement a ~~VMT fee~~, *an MBF*, including a  
3 discussion of the advantages and disadvantages of the ~~equipment~~  
4 *equipment, the privacy implications and considerations of the*  
5 *equipment, and contingencies in the event of equipment failure.*

6 (4) *Estimated costs, both public and private, associated with*  
7 *the initial implementation and ongoing operation of an MBF*  
8 *system.*

9 (5) *Processes and security measures necessary to minimize*  
10 *fraud and tax evasion rates.*

11 (6) *The appropriate government entities to collect data and*  
12 *handle revenue collection, and the frequency at which charges*  
13 *should be billed or collected.*

14 (b) *In developing this pilot program, the agency shall consult*  
15 *with the Department of Motor Vehicles, the Department of*  
16 *Transportation, the Institute of Transportation Studies at the*  
17 *University of California, or any other entity identified by the*  
18 *agency that has expertise in automotive technology, revenue*  
19 *collection, and protecting the public's private information.*

20 ~~(b)~~

21 (c) ~~The department~~ *agency shall prepare and submit a report of*  
22 *its findings to the appropriate policy and fiscal committees of the*  
23 *Legislature no later than June 30, ~~2016~~ 2017. The report shall*  
24 *include, but not be limited to, all of the following elements:*

25 (1) *Recommendations regarding how to best implement a ~~VMT~~*  
26 *fee ~~an MBF~~ in a manner that minimizes confusion and*  
27 *inconvenience to California's drivers while also ~~ensuring~~ providing*  
28 *safeguards that ensure their privacy.*

29 (2) *Recommendations regarding public and private agency*  
30 *access, including law enforcement access, to the data collected*  
31 *and stored for purposes of the MBF that ensures individual privacy*  
32 *rights as protected by Section 1 of Article 1 of the California*  
33 *Constitution.*

34 ~~(2)~~

35 (3) *Given the technological and institutional demands associated*  
36 *with implementing a ~~VMT fee~~, *an MBF*, a discussion of different*  
37 *processes that may be used to transition from the fuel tax to a ~~VMT~~*  
38 *fee ~~an MBF~~ over time.*

39 ~~(3)~~

1 (4) A discussion of issues the Legislature may wish to consider  
2 when evaluating whether and how to implement a ~~VMT~~ fee *an*  
3 *MBF, including the potential impact of new, rapidly changing*  
4 *technology, such as connected cars, which could provide new and*  
5 *possibly more efficient options for collecting mileage data while*  
6 *protecting the privacy of drivers.*

7 (5) *With the transition from a fuel tax to an MBF, a discussion*  
8 *of protections and safeguards that can be put in place to ensure*  
9 *that the MBF has at least the same level of protection from*  
10 *diversion and the same eligible uses as the fuel taxes being*  
11 *replaced, including consideration of voter approval.*

12 (e)  
13 (d) This chapter shall remain in effect only until January 1,  
14 2018, and as of that date is repealed, unless a later enacted statute,  
15 that is enacted before January 1, 2018, deletes or extends that date.

16 SEC. 2. Chapter 7 (commencing with former Section 3100) of  
17 Division 2 of the Vehicle Code is repealed.