



**County Road Association**  
OF MICHIGAN

101 S. WASHINGTON SQUARE, STE. 200  
LANSING, MI 48933

**FOR IMMEDIATE RELEASE:**

**June 25, 2024**

Contact: John Whetstone, Truscott Rossman, 517.899.9671  
Denise Donohue, CRA, 517.896.7077  
Ed Noyola, CRA, 517.230.7217

Email: [jwhetstone@truscottrossman.com](mailto:jwhetstone@truscottrossman.com)  
[ddonohue@micountyroads.org](mailto:ddonohue@micountyroads.org)  
[enoyola@micountyroads.org](mailto:enoyola@micountyroads.org)

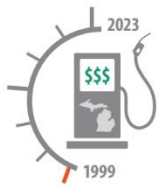
## **Utah transportation leader talks mileage-based road funding model to Michigan leaders**

LANSING, MI – As Michigan’s road authorities and some legislative leaders consider the future of road funding, a national leader for a mileage-based funding model recently presented Utah’s experience in getting such a program off the ground. Utah is one of only four states with laws permitting a pilot transition to funding roads by paying for miles a person drives vs. gallons of gas consumed.

The County Road Association (CRA) of Michigan invited Nathan Lee, PE, Director of Technology & Innovation for the Utah Department of Transportation (UDOT), to Lansing earlier this month to discuss Utah’s adoption of a road usage charge (RUC) system. CRA has played a leading role in Michigan to advocate for mileage-based road funding to account for today’s higher-mileage newer vehicles as well as electric/hybrid vehicles.

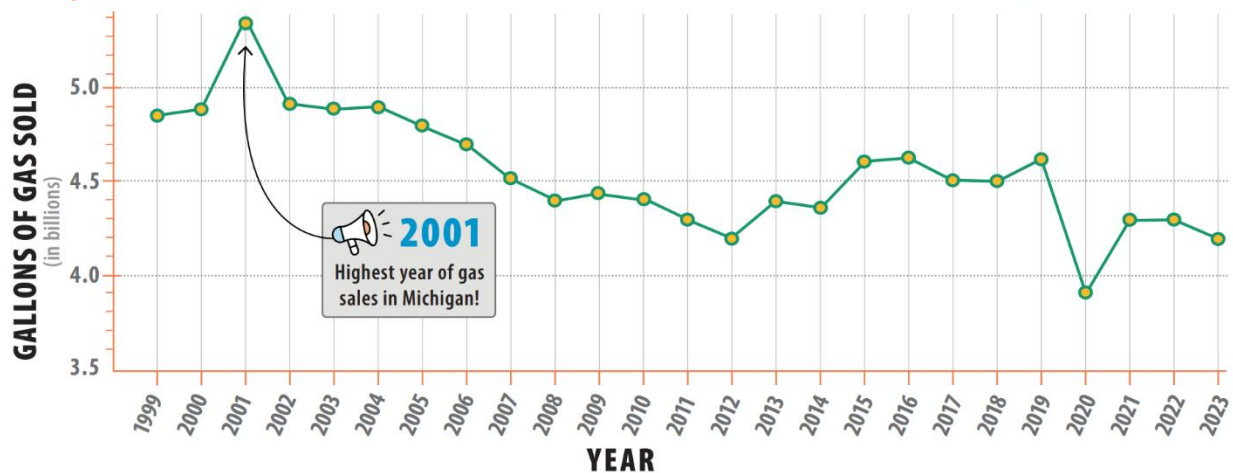
Denise Donohue, CRA chief executive officer, emphasized the importance of transitioning to alternative methods of collecting road improvement revenue due to Michigan’s decline in gallons of gas sold. “We’ve only recently begun talking about the impact of fuel efficiency, yet in Michigan – and the rest of the US – our 100-year-old model for funding roads with gas tax isn’t working anymore. That’s why we can’t catch up with road improvements on our county primary and especially our local roads,” Donohue said.

“Today’s cars are getting 26-30 miles per gallon on average vs. about 20 mpg back in the ‘90s,” added Donohue. “Michigan is selling fewer gallons of gas than at any point since 1999, with the exception of the 2020 pandemic year. It’s been good for consumers’ wallets and the environment, but when 41% of the Michigan Transportation Fund for roads and bridges comes from gas tax, road agencies can’t make much progress on restoring our transportation network.”



# GALLONS OF GAS SOLD IN MICHIGAN

– the effect of fuel-efficient vehicles



Source: MI Senate Fiscal Agency

Gas tax receipts are going up in Michigan but are not keeping pace with inflation. The federal fuel tax dollar has lost 45% of its purchasing power over the last 30 years, according to The Eastern Transportation Coalition. Michigan mirrors that trend. Michigan’s recent gas tax increase helped but over the last five years gas tax revenue grew only 2% total. Meanwhile, the 2023 County Road Investment Plan shows a 28% increase in unmet need over 2021.

Other states have recognized the effect of reduced gas consumption, and all but a handful have an active pilot or study focused on transitioning away from gas tax and toward a mileage-based model to replace the gas tax.

“We wanted to learn from Utah, which is rapidly growing driver participation in its mileage-based road funding model and anticipates being fully converted by 2032,” said Ed Noyola, CRA chief deputy and legislative director. “There are several other states that have mileage-based models Michigan can build on. We brought Utah’s expert here to help us all understand how it’s done.” Utah’s program has been studied and modeled on by Hawaii and Virginia, two other states with laws to transition to a new road funding model.

In his presentations in Lansing, Lee said 20% of eligible vehicles – at this point only electric and hybrid electric vehicle drivers – currently choose to enroll in the program. That number is growing.

“Utah has been pleasantly surprised by the enthusiastic response to our mileage-based user fee program,” Lee said. “Residents are notified about our voluntary program when they register their vehicles every year, and we haven’t even needed to advertise it extensively. People are excited about the program and are signing up on their own, exceeding our initial expectations.”

Utah's RUC program charges drivers of alternative fueled vehicles based on miles driven instead of fuel consumed. The program supports electric and hybrid electric vehicle (EV) adoption by offering a choice between an annual flat fee (no mileage reported) or a 1.06 cent-per-mile charge.

The voluntary UDOT program integrates with its Department of Motor Vehicles system for easy enrollment and compliance, Lee said. Participants can use a telematics device or cell phone photo of their odometer reading to report mileage to a third party (non-government), with strict data protection ensuring privacy. Lee noted that initial privacy concerns about the program have greatly diminished over the three years the program has been in effect.

Utah's RUC system provides fair and sustainable transportation funding, enhancing mobility, community connectivity, and economic growth, Lee said. Utah, and six other states, collect a kWh tax or a retail sales tax on electricity sold at public charging stations – recapturing some tourism dollars. Utah chose a 12.5% retail sales tax. Lee estimates 20-30% of EV/hybrid charging occurs at public charging stations, with the rest occurring at one's home.

Michigan's Legislature has begun talking about a mileage-based method of funding roads. With increasingly fuel-efficient cars over the last decade – and now EVs/hybrids not paying a full fair share – the need for a new funding model has become urgent.

"In an era of increasing purchases of electric, hybrid and perhaps other alternative fuels, we need a model where everyone pays a fair share based on the *use of* our roads and bridges – not based on the type of vehicle they drive," said Noyola. "Our county road agencies need a sustainable and long-term funding source – not a declining one. In the short term, we also continue to advocate for an immediate gas tax increase to address these issues, while we also advocate for a Michigan implementation pilot – not another study – on a mileage-based road funding program."

#####