

Chapter 7. Highway Use Fee and Mileage-Based User Fee Program

§ 46.2-770. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Definitions

As used in this chapter, unless the context requires a different meaning:

"Alternative fuel vehicle" means a vehicle equipped to be powered by a combustible gas, liquid, or other source of energy that can be used to generate power to operate a highway vehicle and that is neither a motor fuel nor electricity used to recharge an electric motor vehicle or a hybrid electric motor vehicle.

"Electric motor vehicle" means a vehicle that uses electricity as its only source of motive power.

"Fuel-efficient vehicle" means a vehicle that has a combined fuel economy of 25 miles per gallon or greater.

2020, cc. [1230](#), [1275](#).

§ 46.2-771. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Purpose

The purpose of this chapter is to ensure more equitable contributions to the Commonwealth Transportation Fund from alternative fuel vehicles, electric motor vehicles, and fuel-efficient vehicles using highways in the Commonwealth.

2020, cc. [1230](#), [1275](#).

§ 46.2-772. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Highway use fee

A. Except as provided in subsection C, there is hereby imposed an annual highway use fee on any motor vehicle registered in the Commonwealth under § [46.2-694](#) or [46.2-697](#) that is an alternative fuel vehicle, an electric motor vehicle, or a fuel-efficient vehicle. The fee shall be collected by the Department at the time of vehicle registration. If the vehicle is registered for a period of other than one year as provided in § [46.2-646](#), the highway use fee shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

B. 1. For an electric motor vehicle, the highway use fee shall be 85 percent of the amount of taxes paid under subsection A of § [58.1-2217](#) on fuel used by a vehicle with a combined fuel economy of 23.7 miles per gallon for the average number of miles traveled by a passenger vehicle in the Commonwealth, as determined by the Commissioner. For all other fuel-efficient vehicles, the highway use fee shall be 85 percent of the difference between the tax paid under subsection A of § [58.1-2217](#) on the fuel used by a vehicle with a combined fuel economy of 23.7 miles per gallon for the average number of miles traveled by a passenger vehicle in the Commonwealth in a year, as determined by the Commissioner, and the tax paid under subsection A of § [58.1-2217](#) on the fuel used by the vehicle being registered for the average number of miles traveled by a passenger vehicle in the Commonwealth in a year, as determined by the Commissioner.

For purposes of this chapter, the Commissioner shall use combined fuel economy as determined by the manufacturer of the vehicle. If the Commissioner is unable to obtain the manufacturer's fuel economy for a vehicle, then the Commissioner shall use the final estimate of average fuel economy, as determined by the U.S. Environmental Protection Agency, of (i) all trucks having the

same model year as the vehicle being registered, if the vehicle has a gross weight between 6,000 pounds and 10,000 pounds, or (ii) all cars having the same model year as the vehicle. If data is not available for the model year of the vehicle being registered, then the Commissioner shall use available data for the model year that is closest to the model year of the vehicle being registered.

The Commissioner shall update the fees calculated under this section by July 1 of each year.

2. The Department shall establish and administer a process whereby a vehicle owner may contest the fee assessed pursuant to this section. The Department shall reimburse the vehicle owner for any contested fee or portion thereof incorrectly collected pursuant to this section.

C. This section shall not apply to:

1. An autocycle, moped, or motorcycle;
2. A vehicle with a gross weight over 10,000 pounds;
3. A vehicle that is owned by a governmental entity as defined in § 58.1-2201; or
4. A vehicle that is registered under the International Registration Plan.

Notwithstanding the provisions of this section, the annual highway use fee for a low-speed vehicle that is registered under Chapter 6 (§ 46.2-600 et seq.) shall be \$25.

A vehicle shall not be subject to the fee set forth in this section in any year in which such vehicle is registered to participate in the mileage-based user fee program established pursuant to § 46.2-773.

D. In any case where an applicant has requested and is eligible for a refund pursuant to § 46.2-688, the Commissioner shall refund to the applicant the cost of the highway use fee, prorated in six-month increments, if such application is made when six or more months remain in the registration period.

2020, cc. 1230, 1275; 2022, c. 446; 2023, cc. 537, 548.

§ 46.2-773. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Mileage-based user fee program

A. There is hereby established a mileage-based user fee program. The program shall be a voluntary program that allows owners of vehicles subject to the highway use fee pursuant to § 46.2-772 to pay a mileage-based fee in lieu of the highway use fee. No owner of a motor vehicle registered in the Commonwealth shall be required to participate in the program established pursuant to this section.

B. In any year that an owner pays the fee set forth in this section, such owner shall not be subject to the fee set forth in § 46.2-772 for the same vehicle. In no case shall the fees paid pursuant to this section during a 12-month period exceed the annual highway use fee that would have otherwise been paid.

C. The fee schedule for the mileage-based user fee program shall be calculated by dividing the amount of the highway use fee as determined pursuant to subsection B of § 46.2-772 by the average number of miles traveled by a passenger vehicle in the Commonwealth to determine a fee per mile driven.

D. The Department shall establish procedures for the collection of the fees set forth in this section. Such procedures may limit the total number of participants during the first four years of the program.

E. The Department shall offer program participants the option to participate without location tracking.

F. Information collected by the Department and any other entity pursuant to this chapter shall be limited exclusively to that information necessary for the administration of the mileage-based user fee and shall be used solely for such purpose. Information collected shall not (i) be open to the public or subject to disclosure pursuant to the Virginia Freedom of Information Act (§ [2.2-3700](#) et seq.); (ii) be sold for sales, solicitation, or marketing purposes; or (iii) be disclosed to any other entity except as may be necessary for the collection of unpaid mileage-based user fees or to the owner of a vehicle as part of the owner's challenge to the imposition of a mileage-based user fee.

2020, cc. [1230](#), [1275](#);2022, cc. [236](#), [446](#).

§ 46.2-774. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Distribution of revenues

All revenues collected pursuant to this chapter shall be used first to pay for the direct cost of administration of this chapter by the Department, and then shall be deposited into the Commonwealth Transportation Fund established pursuant to § [33.2-1524](#).

2020, cc. [1230](#), [1275](#).