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About Studies

# Mileage-Based User Fee

#### What is it?

A mileage-based user fee is an alternative way to finance the construction and maintenance of roads based on how much you drive, rather than on how much gas you put in the tank of your vehicle. Minnesota is studying mileage-based user fees to determine if they could effectively collect enough revenue to maintain our state's roads and bridges.



# Why is it needed?

Minnesota taxpayers have funded highway construction and maintenance work for years with three financing tools:

### -Gas tax

- -Vehicle registration fees
- -Motor vehicle sales tax

These sources of revenue will, for the next decade or two, continue to effectively and dependably fund transportation projects that move people and products throughout the state. When more people start buying alternative fuel and electric vehicles, however, the gas tax will not produce the revenue needed.

GPS unit used to track mileage

## **Test studies**

Mn/DOT has been conducting research about future funding challenges and the mileage-based user fee option since 2007.

In May, 2011, Mn/DOT will conduct technical research on the mileage-based user fee and ask 500 people from Hennepin and Wright Counties to test technology that could someday be used for fee collection. The research will provide important feedback about the effectiveness of using technology in a car or truck to gather mileage information. Read more.