

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB2241**

**Bill Subtitle: TO REQUIRE AN ADDITIONAL REGISTRATION FEE FOR ALTERNATIVE FUEL AND HYBRID MOTOR VEHICLES.**

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### **Basic Change :**

**Sponsor: Rep. Davis**

HB2241 adds an additional section to the Arkansas Code, § 27-14-613, to allow additional registration fees for alternative fuel and hybrid vehicles. HB2241 defines an "alternative fuel vehicle" to mean any vehicle that runs on a fuel other than petrol or diesel fuel or solely on electricity.

### **Revenue Impact :**

There are approximately 419 electric vehicles and 16,340 Hybrid vehicles registered with the Office of Motor Vehicle at an average fee of \$27.75 (based on weight of the vehicle). If both vehicle types were to be registered each year at the additional fee amounts, the increase would be approximately \$1,082,634.00 annually.

### **Taxpayer Impact :**

Vehicle owners of alternative fuel powered vehicles will pay registration fees of one hundred eighty-four dollars (\$184) or hybrid vehicle owners will pay registration fees of ninety dollars (\$90) for hybrid vehicles.

### **Resources Required :**

Additional programming will be necessary and estimated to cost \$21,000.

### **Time Required :**

Implementation date of November 13, 2017 is requested.

### **Procedural Changes :**

Update Motor Vehicle Procedures Manual and distribute to State Revenue Offices and train employees.

### **Other Comments :**

None.

### **Legal Analysis :**

HB2241 requires a registration fee for alternative fuel vehicles and hybrid vehicles in addition to the fees normally required to register a vehicle. For the calendar year 2018, the additional fees shall be \$184 for an alternative fuel vehicle, and \$90 for a hybrid vehicle. For calendar years after 2018, DFA is required to set the fee using a formula based on data provided by the Arkansas State Highway and Transportation Department.