

INTERIM STUDY PROPOSAL 2019-031

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2
3 REQUESTING THAT THE LEGISLATIVE COUNCIL REFER TO THE HOUSE
4 COMMITTEE ON PUBLIC TRANSPORTATION A STUDY TO DETERMINE WHETHER
5 OR NOT THE ADDITIONAL MOTOR VEHICLE REGISTRATION FEES IMPOSED BY
6 ACTS 2019, NO. 416, ON ELECTRIC MOTOR VEHICLES AND HYBRID MOTOR
7 VEHICLES ARE REASONABLE IN RELATION TO THE REGISTRATION FEES
8 IMPOSED ON SIMILAR MOTOR VEHICLES IN OTHER STATES.
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10 WHEREAS, current electric motor vehicle sales only represent about one
11 percent (1%) of all light-duty car sales in the United States, but as
12 electric motor vehicle sales continue to climb lawmakers and policymakers are
13 concerned that this trend may lower gasoline tax revenues; and
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15 WHEREAS, the repairs and improvements to the nation's highways have
16 traditionally been funded primarily through federal and state taxes collected
17 on gasoline; and
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19 WHEREAS, electric motor vehicle owners pay the same registration fees
20 imposed on traditional motor vehicles, but electric motor vehicles do not
21 require gasoline to operate, so owners of electric motor vehicles do not
22 contribute to the upkeep of highways through the tax on gasoline; and
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24 WHEREAS, many states face declining gasoline tax revenue, and as of
25 October 2018, twenty (20) states have enacted legislation requiring a special
26 registration fee, in addition to standard motor vehicle registration fees,
27 for select hybrid and plug-in electric motor vehicles; and
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29 WHEREAS, nine (9) states enacted new fees in 2017, and many of the fees
30 were included in larger transportation funding packages, coming alongside
31 increases in gasoline taxes, motor vehicle registration fees, or other
32 transportation-related revenues; and
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34 WHEREAS, the fees imposed by states range from two hundred dollars
35 (\$200) for a plug-in electric motor vehicle in Georgia and West Virginia to
36 fifty dollars (\$50.00) in Colorado and Wyoming; and

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2 WHEREAS, some states also impose a fee for plug-in hybrid motor
3 vehicles that operate on a combination of electricity and gasoline, as well
4 as hybrid electric motor vehicles that are not recharged using electricity;
5 and

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7 WHEREAS, fees for hybrid electric motor vehicles that are not recharged
8 using electricity range from one hundred seventeen dollars and fifty cents
9 (\$117.50) in Michigan to fifty dollars (\$50.00) in Indiana; and

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11 WHEREAS, in California, Indiana, Mississippi, and Utah the special fees
12 are tied to either the Consumer Price Index for All Urban Consumers or
13 another inflation-related metric, and the fee is structured to grow over time
14 to offset the declining revenue from gasoline taxes due to years of fixed-
15 rate structures; and

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17 WHEREAS, Acts 2019, No. 416 imposes an annual fee of:

18 (1) Two hundred dollars (\$200) for each electric motor vehicle
19 registered; and

20 (2) One hundred dollars (\$100) for each hybrid motor vehicle
21 registered,

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23 NOW THEREFORE,

24 BE IT PROPOSED BY THE LEGISLATIVE COUNCIL OF THE NINETY-SECOND
25 GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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27 THAT the Legislative Council refer to the House Committee on Public
28 Transportation a study to determine whether or not the additional motor
29 vehicle registration fees imposed by Acts 2019, No. 416, on electric motor
30 vehicles and hybrid motor vehicles are reasonable in relation to the
31 registration fees imposed on similar types of motor vehicles in other states.

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34 Respectfully submitted,

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2 District 33
3 Prepared by: DTP/DTP
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