

INTERIM STUDY PROPOSAL 2019-029

REQUESTING THAT THE LEGISLATIVE COUNCIL REFER TO THE HOUSE COMMITTEE ON PUBLIC TRANSPORTATION A STUDY TO DETERMINE WHETHER OR NOT THE ADDITIONAL MOTOR VEHICLE REGISTRATION FEES IMPOSED BY ACTS 2019, NO. 416, ON ELECTRIC MOTOR VEHICLES AND HYBRID MOTOR VEHICLES ARE REASONABLE IN RELATION TO THE REGISTRATION FEES IMPOSED ON SIMILAR MOTOR VEHICLES IN OTHER STATES.

WHEREAS, current electric motor vehicle sales only represent about one percent (1%) of all light-duty car sales in the United States, but as electric motor vehicle sales continue to climb lawmakers and policymakers are concerned that this trend may lower gasoline tax revenues; and

WHEREAS, the repairs and improvements to the nation's highways have traditionally been funded primarily through federal and state taxes collected on gasoline; and

WHEREAS, electric motor vehicle owners pay the same registration fees imposed on traditional motor vehicles, but electric motor vehicles do not require gasoline to operate, so owners of electric motor vehicles do not contribute to the upkeep of highways through the tax on gasoline; and

WHEREAS, many states face declining gasoline tax revenue, and as of October 2018, twenty (20) states have enacted legislation requiring a special registration fee, in addition to standard motor vehicle registration fees, for select hybrid and plug-in electric motor vehicles; and

WHEREAS, nine (9) states enacted new fees in 2017, and many of the fees were included in larger transportation funding packages, coming alongside increases in gasoline taxes, motor vehicle registration fees, or other transportation-related revenues; and

WHEREAS, the fees imposed by states range from two hundred dollars (\$200) for a plug-in electric motor vehicle in Georgia and West Virginia to fifty dollars (\$50.00) in Colorado and Wyoming; and

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

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

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

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

- (1) Two hundred dollars (\$200) for each electric motor vehicle registered; and
- (2) One hundred dollars (\$100) for each hybrid motor vehicle registered,

NOW THEREFORE,
BE IT PROPOSED BY THE LEGISLATIVE COUNCIL OF THE NINETY-SECOND
GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

Prepared by: DTP/DTP