

**SUMMARY OF PROPOSAL #14**  
*for consideration by the*  
**ARKANSAS TAX REFORM AND RELIEF LEGISLATIVE TASK FORCE**

**TOPIC: Road User Fee for Electronic and Hybrid Vehicles**

**Summary of Proposal for Consideration**

To create a road user fee for owners of electric and hybrid vehicles that would be paid at the time of the registration of the vehicle.

**Fiscal Analysis**

According to the Department of Finance and Administration (DFA), the average number of electric vehicles that are renewed each year based on the previous three (3) calendar years is three hundred ninety-one (391) per year, and the average number of hybrid vehicle registration renewals over the same period is fourteen thousand five hundred (14,500). The total number of registered electric vehicles is one thousand three hundred eight (1,308), and the total number of registered hybrid motor vehicles is forty-one thousand two hundred fifty-two (41,252). These numbers have shown an increase over the past several years.

Based on DFA's fiscal analysis of HB2241 of 2017, which would have levied a registration fee of one hundred eighty-four dollars (\$184) on electric vehicles and ninety dollars (\$90) on hybrid vehicles, the fiscal impact would have been approximately one million eighty-two thousand six hundred thirty-four dollars (\$1,082,634). However, that fiscal impact was based on four hundred nineteen (419) electric vehicles and sixteen thousand three hundred forty (16,340) hybrid vehicles.

**Legal Analysis**

***Background***

Arkansas does not currently impose a road user fee on electric or hybrid vehicles.

***Potential Legal Issues***

None.