HB186 Vehicle Registration Amendments

The state pays for road maintenance through the gas tax. In recent years, this has become an issue because cars have become more fuel-efficient, which means that drivers spend less money on gas. As a result, we have had to supplement the gas tax with increasing amounts of money from the general fund to help pay for road maintenance. The advent of electric vehicles (EVs) presents an additional challenge to our current funding mechanism. Currently EVs represent only about ½ of 1 percent of vehicles so they don't make much change in the overall funding stream. But as the number of EVs increases, we need to find a way to maintain an adequate funding stream for road maintenance.

My two objectives in this bill:

1. That we have a fair system to collect funds for road maintenance from EVs that provides funding similar to what the gas tax does for gasoline vehicles. The system needs to work long-term as EVs become a larger portion of the overall fleet of vehicles.
2. To give a small short-term discount to EVs (that goes away automatically over time) to make it clear that we value the benefits that EVs bring to our air quality and the important step they represent in the transition towards lower CO2 emissions.

Current Program

Currently EVs pay $120 per year when they register. If they don't drive very many miles, they may enter the Road User Charge program (the RUC program) and instead pay 1.5 cents per mile (still with a cap of $120). They will save money if they drive 8,000 miles or less. Currently only about one out of 10 EV drivers chooses to register for the RUC; most of them just choose to pay the $120 fee.

HB 186 has 3 phases:

Phase 1 January 2023-December 2025

The maximum fee remains at $120 (adjusted for inflation)

The per-mile RUC rate drops to 1.0 cents/mile (adjusted for inflation)

Phase 2 January 2026-December 2031

The maximum fee increases to $180 (still adjusted for inflation)

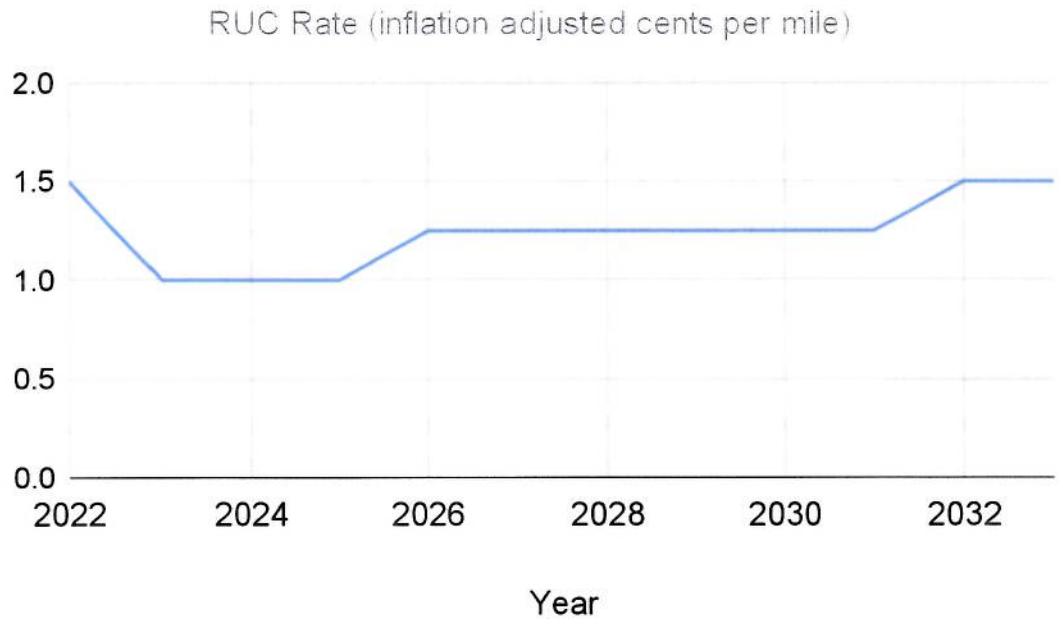
The per-mile RUC rate increases to 1.25 cents/mile (still adjusted for inflation)

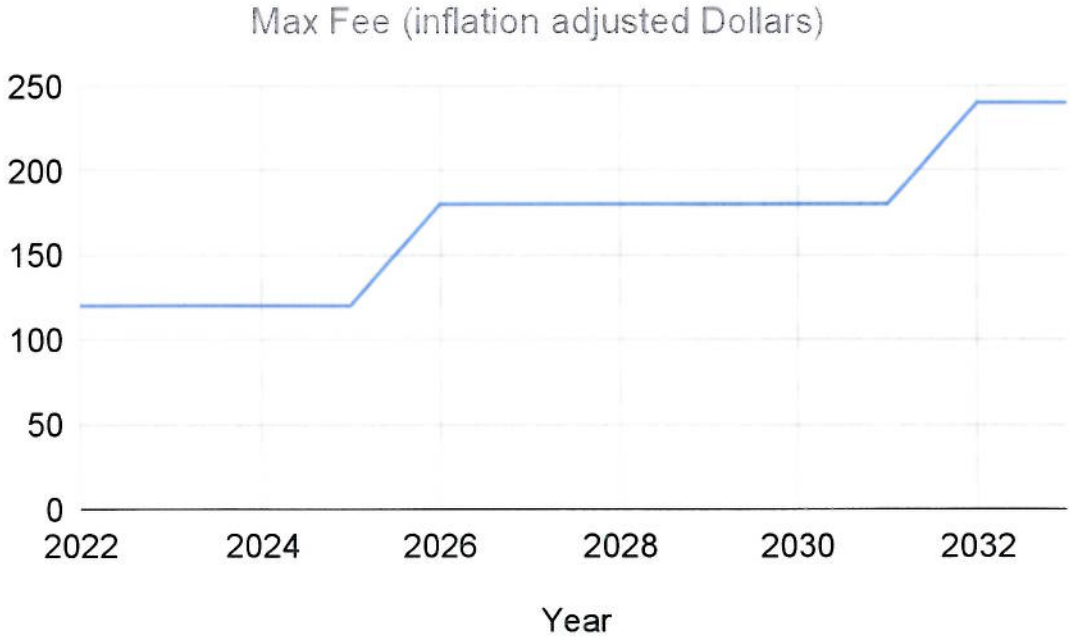
Phase 3 January 2032-on

The maximum fee increases to $240 (still adjusted for inflation)

The per-mile RUC rate increases to 1.5 cents/mile (still adjusted for inflation)

Also in 2032: the ability to set the RUC rate reverts back to the department, which retains its charge to set the rate as needed to maintain road funding.


RUC Rate (inflation adjusted cents per mile)
2.0
1.5
1.0
0.5
0.0
2022
2024
2026
2028
2030
2032
Year


Max Fee (inflation adjusted Dollars)
250
200
150
100
50
0
2022
2024
2026
2028
2030
2032
Year