

## HB0209S03 compared with HB0209S02

~~{deleted text}~~ shows text that was in HB0209S02 but was deleted in HB0209S03.

inserted text shows text that was not in HB0209S02 but was inserted into HB0209S03.

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Representative ~~{Raymond P. Ward}~~ Kay J. Christofferson proposes the following substitute bill:

### VEHICLE REGISTRATION FEE REVISIONS

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kay J. Christofferson**

Senate Sponsor: Wayne A. Harper

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#### LONG TITLE

##### General Description:

This bill increases vehicle registration fees on electric, hybrid, plug-in hybrid, and other vehicles.

##### Highlighted Provisions:

This bill:

- ▶ increases annual and six-month vehicle registration fees on electric, hybrid, plug-in hybrid, and other alternative fuel vehicles;
- ▶ for purposes of the road usage charge program, amends the definition of "alternative fuel vehicle" to exclude a hybrid vehicle;
- ▶ provides for a phased-in mileage rate for the road usage charge program; and
- ▶ makes technical changes.

## HB0209S03 compared with HB0209S02

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**41-1a-1206**, as last amended by Laws of Utah 2020, Chapter 377

**72-1-213.1**, as last amended by Laws of Utah 2020, Chapter 377

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **41-1a-1206** is amended to read:

**41-1a-1206. Registration fees -- Fees by gross laden weight.**

(1) Except as provided in Subsections (2) and (3), at the time application is made for registration or renewal of registration of a vehicle or combination of vehicles under this chapter, a registration fee shall be paid to the division as follows:

(a) \$46.00 for each motorcycle;

(b) \$44 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding motorcycles;

(c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202 or is registered under Section 41-1a-301:

(i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or

(ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less gross unladen weight;

(d) (i) \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

(ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight;

(e) (i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

(ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;

(f) (i) \$69.50 for each park model recreational vehicle over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

## HB0209S03 compared with HB0209S02

- (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;
- (g) \$45 for each vintage vehicle that is less than 40 years old; and
- (h) in addition to the fee described in Subsection (1)(b):
- (i) for each electric motor vehicle:
  - (A) \$90 during calendar year 2020; [~~and~~]
  - (B) \$120 beginning January 1, 2021[~~, and thereafter~~]; ~~and~~

~~(C)~~

(C) \$180 beginning January 1, 2022;

(D) \$240 beginning January 1, 2024;

(E) \$280 beginning January 1, 2025; and

(F) \$300 beginning January 1, ~~2022~~2026, and thereafter;

- (ii) for each hybrid electric motor vehicle:

- (A) \$15 during calendar year 2020; [~~and~~]

- (B) \$20 beginning January 1, 2021[~~, and thereafter~~]; and

- (C) ~~50~~40 beginning January 1, 2022, and thereafter;

- (iii) for each plug-in hybrid electric motor vehicle:

- (A) \$39 during calendar year 2020; [~~and~~]

- (B) \$52 beginning January 1, 2021[~~, and thereafter~~]; ~~and~~

~~(C); and~~;

(C) \$126 beginning January 1, 2022;

(D) \$200 beginning January 1, 2024;

(E) \$230 beginning January 1, 2025; and

(F) \$260 beginning January 1, ~~2022~~2026, and thereafter; and

(iv) for any motor vehicle not described in Subsections (1)(h)(i) through (iii) that is fueled exclusively by a source other than motor fuel, diesel fuel, natural gas, or propane:

- (A) \$90 during calendar year 2020; [~~and~~]

- (B) \$120 beginning January 1, 2021[~~, and thereafter~~];

(C) \$180 beginning January 1, 2022;

(D) \$240 beginning January 1, 2024;

(E) \$280 beginning January 1, 2025; and

~~(C)~~(F) \$300 beginning ~~on~~ January 1, ~~2022~~2026, and thereafter.

## HB0209S03 compared with HB0209S02

(2) (a) At the time application is made for registration or renewal of registration of a vehicle under this chapter for a six-month registration period under Section 41-1a-215.5, a registration fee shall be paid to the division as follows:

- (i) \$34.50 for each motorcycle; and
- (ii) \$33.50 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding motorcycles.

(b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal of registration of a vehicle under this chapter for a six-month registration period under Section 41-1a-215.5 a registration fee shall be paid to the division as follows:

- (i) for each electric motor vehicle:
  - (A) \$69.75 during calendar year 2020; [and]
  - (B) \$93 beginning January 1, 2021~~[-, and thereafter];~~ { and
  - ~~(C) \$232.50;~~
  - (C) \$137 beginning January 1, 2022;
  - (D) \$182.50 beginning January 1, 2024;
  - (E) \$215.75 beginning January 1, 2025; and
  - (F) \$231 beginning January 1, ~~{2022}~~2026, and thereafter;

- (ii) for each hybrid electric motor vehicle:
  - (A) \$11.25 during calendar year 2020; [and]
  - (B) \$15 beginning January 1, 2021~~[-, and thereafter];~~ and
  - (C) ~~{ \$38 }~~ \$30.75 beginning January 1, 2022, and thereafter;

- (iii) for each plug-in hybrid electric motor vehicle:
  - (A) \$30 during calendar year 2020; [and]
  - (B) \$40 beginning January 1, 2021~~[-, and thereafter];~~ { and

- ~~(C) \$201.50; and];~~
- (C) \$95.75 beginning January 1, 2022;
- (D) \$152 beginning January 1, 2024;
- (E) \$177 beginning January 1, 2025; and
- (F) \$200 beginning January 1, ~~{2022}~~2026, and thereafter; and

(iv) for each motor vehicle not described in Subsections (2)(b)(i) through (iii) that is fueled by a source other than motor fuel, diesel fuel, natural gas, or propane:

## HB0209S03 compared with HB0209S02

(A) \$69.75 during calendar year 2020; [~~and~~]

(B) \$93 beginning January 1, 2021 [~~, and thereafter.~~];

(C) \$137 beginning January 1, 2022;

(D) \$182.50 beginning January 1, 2024;

(E) \$215.75 beginning January 1, 2025; and

(~~C~~) ~~F~~ ~~\$232.50~~ ~~\$231~~ beginning January 1, ~~2022~~ ~~2026~~, and thereafter.

(3) (a) (i) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (2)(a), (4)(a), and (7), by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the registration fee of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(ii) Beginning on January 1, [~~2022~~] ~~2023~~ 2025, the commission shall, on January 1, annually adjust the registration fees described in Subsections [~~(1)(h)(i)(B), (1)(h)(ii)(B), (1)(h)(iii)(B), (1)(h)(iv)(B), (2)(b)(i)(B), (2)(b)(ii)(B), (2)(b)(iii)(B), and (2)(b)(iv)(B)~~] (1)(h)(i)(~~C~~) ~~F~~, (1)(h)(ii)(C), (1)(h)(iii)(~~C~~) ~~F~~, (1)(h)(iv)(~~C~~) ~~F~~, (2)(b)(i)(~~C~~) ~~F~~, (2)(b)(ii)(C), (2)(b)(iii)(~~C~~) ~~F~~, and (2)(b)(iv)(~~C~~) ~~F~~, by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the registration fee of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(b) The amounts calculated as described in Subsection (3)(a) shall be rounded up to the nearest 25 cents.

(4) (a) The initial registration fee for a vintage vehicle that is 40 years old or older is \$40.

(b) A vintage vehicle that is 40 years old or older is exempt from the renewal of registration fees under Subsection (1).

(c) A vehicle with a Purple Heart special group license plate issued in accordance with Section 41-1a-421 is exempt from the registration fees under Subsection (1).

(d) A camper is exempt from the registration fees under Subsection (1).

## HB0209S03 compared with HB0209S02

(5) If a motor vehicle is operated in combination with a semitrailer or trailer, each motor vehicle shall register for the total gross laden weight of all units of the combination if the total gross laden weight of the combination exceeds 12,000 pounds.

(6) (a) Registration fee categories under this section are based on the gross laden weight declared in the licensee's application for registration.

(b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part of 2,000 pounds is a full unit.

(7) The owner of a commercial trailer or commercial semitrailer may, as an alternative to registering under Subsection (1)(c), apply for and obtain a special registration and license plate for a fee of \$130.

(8) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm truck unless:

(a) the truck meets the definition of a farm truck under Section 41-1a-102; and

(b) (i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or

(ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner submits to the division a certificate of emissions inspection or a waiver in compliance with Section 41-6a-1642.

(9) A violation of Subsection (8) is an infraction that shall be punished by a fine of not less than \$200.

(10) Trucks used exclusively to pump cement, bore wells, or perform crane services with a crane lift capacity of five or more tons, are exempt from 50% of the amount of the fees required for those vehicles under this section.

Section 2. Section **72-1-213.1** is amended to read:

### **72-1-213.1. Road usage charge program.**

(1) As used in this section:

(a) "Account manager" means an entity under contract with the department to administer and manage the road usage charge program.

(b) "Alternative fuel vehicle" means [~~the same as that term is defined in Section 41-1a-102.~~];

(i) an electric motor vehicle;

(ii) a plug-in hybrid electric motor vehicle; or

## HB0209S03 compared with HB0209S02

(iii) a motor vehicle powered exclusively by a fuel other than:

(A) motor fuel;

(B) diesel fuel;

(C) natural gas; or

(D) propane.

(c) "Payment period" means the interval during which an owner is required to report mileage and pay the appropriate road usage charge according to the terms of the program.

(d) "Program" means the road usage charge program established and described in this section.

(2) There is established a road usage charge program as described in this section.

(3) (a) The department shall implement and oversee the administration of the program, which shall begin on January 1, 2020.

(b) To implement and administer the program, the department may contract with an account manager.

(4) (a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of the alternative fuel vehicle in the program.

(b) If an application for enrollment into the program is approved by the department, the owner or lessee of an alternative fuel vehicle may participate in the program in lieu of paying the fee described in Subsection 41-1a-1206(1)(h) or (2)(b).

(5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section, the department:

(i) shall make rules to establish:

(A) processes and terms for enrollment into and withdrawal or removal from the program;

(B) payment periods and other payment methods and procedures for the program;

(C) standards for mileage reporting mechanisms for an owner or lessee of an alternative fuel vehicle to report mileage as part of participation in the program;

(D) standards for program functions for mileage recording, payment processing, account management, and other similar aspects of the program;

(E) contractual terms between an owner or lessee of an alternative fuel vehicle owner and an account manager for participation in the program;

## HB0209S03 compared with HB0209S02

(F) contractual terms between the department and an account manager, including authority for an account manager to enforce the terms of the program;

(G) procedures to provide security and protection of personal information and data connected to the program, and penalties for account managers for violating privacy protection rules;

(H) penalty procedures for a program participant's failure to pay a road usage charge or tampering with a device necessary for the program; and

(I) department oversight of an account manager, including privacy protection of personal information and access and auditing capability of financial and other records related to administration of the program; and

(ii) may make rules to establish:

(A) an enrollment cap for certain alternative fuel vehicle types to participate in the program;

(B) a process for collection of an unpaid road usage charge or penalty; or

(C) integration of the program with other similar programs, such as tolling.

~~[(b) The department shall make recommendations to and consult with the commission regarding road usage mileage rates for each type of alternative fuel vehicle.]~~

(b) A road usage charge is imposed on each vehicle that enrolls in the program at the following rates:

(i) beginning on the date a vehicle is enrolled in the program, and for one year thereafter, 1 cent per mile;

(ii) beginning on the first day of the second year that a vehicle is enrolled in the program, and for one year thereafter, 1.1 cents per mile;

(iii) beginning on the first day of the third year that a vehicle is enrolled in the program, and for one year thereafter, 1.2 cents per mile;

(iv) beginning on the first day of the fourth year that a vehicle is enrolled in the program, and for one year thereafter, 1.3 cents per mile;

(v) beginning on the first day of the fifth year that a vehicle is enrolled in the program, and for one year thereafter, 1.4 cents per mile; and

(vi) beginning on the first day of the sixth year that a vehicle is enrolled in the program, and thereafter, 1.5 cents per mile.



## HB0209S03 compared with HB0209S02

(6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section, the commission shall, after consultation with the department, make rules to establish the road usage charge mileage rate for each type of alternative fuel vehicle.

(7) (a) Revenue generated by the road usage charge program and relevant penalties shall be deposited into the Transportation Fund.

(b) The department may use revenue generated by the program to cover the costs of administering the program.

(8) (a) The department may:

(i) (A) impose a penalty for failure to timely pay a road usage charge according to the terms of the program or tampering with a device necessary for the program; and

(B) request that the Division of Motor Vehicles place a hold on the registration of the owner's or lessee's alternative fuel vehicle for failure to pay a road usage charge according to the terms of the program;

(ii) send correspondence to the owner of an alternative fuel vehicle to inform the owner or lessee of:

(A) the road usage charge program, implementation, and procedures;

(B) an unpaid road usage charge and the amount of the road usage charge to be paid to the department;

(C) the penalty for failure to pay a road usage charge within the time period described in Subsection (8)(a)(iii); and

(D) a hold being placed on the owner's or lessee's registration for the alternative fuel vehicle, if the road usage charge and penalty are not paid within the time period described in Subsection (8)(a)(iii), which would prevent the renewal of the alternative fuel vehicle's registration; and

(iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage charge to the department within 30 days of the date when the department sends written notice of the road usage charge to the owner or lessee.

(b) The department shall send the correspondence and notice described in Subsection (8)(a) to the owner of the alternative fuel vehicle according to the terms of the program.

(9) (a) The Division of Motor Vehicles and the department shall share and provide access to information pertaining to an alternative fuel vehicle and participation in the program

## HB0209S03 compared with HB0209S02

including:

(i) registration and ownership information pertaining to an alternative fuel vehicle;

(ii) information regarding the failure of an alternative fuel vehicle owner or lessee to pay a road usage charge or penalty imposed under this section within the time period described in Subsection (8)(a)(iii); and

(iii) the status of a request for a hold on the registration of an alternative fuel vehicle.

(b) If the department requests a hold on the registration in accordance with this section, the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.

(10) The owner of an alternative fuel vehicle may apply for enrollment in the program or withdraw from the program according to the terms established by the department pursuant to rules made under Subsection (5).

(11) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:

(a) report mileage driven as required by the department pursuant to Subsection (5);

(b) pay the road usage fee for each payment period as set by the department and the commission pursuant to Subsections (5) and (6); and

(c) comply with all other provisions of this section and other requirements of the program.

(12) (a) On or before June 1, 2021, and except for the vehicles excluded in Subsection (12)(b), the department shall submit to a legislative committee designated by the Legislative Management Committee a written plan to enroll all vehicles registered in the state in the program by December 31, 2031.

(b) The plan described in Subsection (12)(a) may exclude authorized carriers described in Subsection 59-12-102(17)(a).

(c) Beginning in 2021, on or before October 1 of each year, the department shall submit annually an electronic report recommending strategies to expand enrollment in the program to meet the deadline provided in Subsection (12)(a).

(13) Beginning in 2021, the department shall submit annually, on or before October 1, to the legislative committee that receives the report described in Subsection (12)(a), an electronic report that:

(a) states for the preceding fiscal year:

## **HB0209S03 compared with HB0209S02**

- (i) the amount of revenue collected from the program;
  - (ii) the participation rate in the program; and
  - (iii) the department's costs to administer the program; and
- (b) provides for the current fiscal year, an estimate of:
- (i) the revenue that will be collected from the program;
  - (ii) the participation rate in the program; and
  - (iii) the department's costs to administer the program.