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## DIGEST

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HB 582 Reengrossed

2021 Regular Session

McFarland

**Abstract:** Dedicates \$120M of the avails of the tax levied on gasoline and diesel into the Construction Subfund of the Transportation Trust Fund (TTF) and imposes an annual \$200 road use fee on electric vehicles and an annual \$100 road use fee on hybrid vehicles and dedicates the proceeds of the fees into the Construction Subfund of the TTF.

### **Dedication of the Tax Levied on Gasoline and Diesel**

Present law provides for the levy of a tax of 4¢ per gallon of gasoline, diesel, and special fuels. Present law requires the proceeds of this tax to be credited to the Transportation Infrastructure Model for Economic Development (TIMED) account in the Transportation Trust Fund (TTF) for use solely on projects in the TIMED program.

Proposed law retains present law.

Present law provides for the levy of a tax of 16¢ per gallon tax on gasoline, diesel, and special fuels.

Proposed law retains present law but dedicates, beginning July 1, 2021, \$120M of the avails of the 16¢ per gallon tax on gasoline and diesel into the Construction Subfund of the TTF. However, before the treasurer deposits \$120M of the avails of the tax into the Construction Subfund, all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax must be satisfied. Further provides that the avails of the tax continue to be pledged and available to pay the requirements associated with bonds, refunding bonds, or interest rate swap agreements as provided in present constitution.

### **Electric Vehicles and Hybrid Vehicles**

Proposed law defines an "electric vehicle" as a vehicle powered by one or more electric motors or energy stored in rechargeable batteries for propulsion and defines a "hybrid vehicle" as a vehicle that uses gasoline, diesel fuel, or special fuels in combination with an electric motor for propulsion.

Proposed law imposes an annual road use fee of \$200 on each electric vehicle and an annual road-use fee of \$100 on each hybrid vehicle operated upon the highways of this state which is required to be registered and to pay registration license tax in accordance with present law.

Proposed law requires the initial fee to be collected by the motor vehicle dealer from the purchaser at the time of sale or lease of a new or used electric vehicle or hybrid vehicle and to remit the fee to

the office of motor vehicles in the same manner as all sales and use taxes are collected. Further requires the dealer to indicate on the bill of sale or the lease agreement that the vehicle is an electric vehicle or a hybrid vehicle and to provide a copy of the bill of sale or the lease agreement to the commissioner of motor vehicles, hereinafter "commissioner".

Proposed law requires the commissioner of motor vehicles to note the fuel type of electric and hybrid motor vehicles for purposes of the collecting the road use fee.

Proposed law provides that each year after the initial fee is imposed, no less than 30 days prior to the anniversary date of the purchase or lease of the vehicle, the commissioner shall send written notice to the last known address of the registered owner of the vehicle indicating the amount of the annual fee due and that the deadline to pay the fee is 30 days from the date the notice is mailed to the registered owner by the commissioner.

Proposed law provides the office of motor vehicles, no later than Jan. 1, 2022, to update forms related to the transfer of ownership of motor vehicles to include information regarding the fuel type of all motor vehicles required to be registered in this state. The requirements of proposed law shall apply to all transfers of ownership including sales by dealers, private sales of motor vehicles, and out of state transfers.

Proposed law requires the office of motor vehicles to collect the road use fee on all transfers of ownership of an electric vehicle or a hybrid vehicle.

Proposed law requires the commissioner to deposit the proceeds of the fees collected into the treasury. After compliance with the requirements of the present constitution, requires the treasurer to deposit an amount equal to the proceeds of the fee imposed into the Construction Subfund of the TTF.

Effective on July 1, 2021.

(Adds R.S. 32:461 and R.S. 47:818.12(E))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete repeal of the 16¢ per gallon tax on gasoline, diesel, and special fuels.
2. Delete the levy of a new 16¢ per gallon tax on gasoline, diesel, and special fuels.
3. Beginning July 1, 2021, dedicate \$120M of the avails of the tax levied on gasoline and diesel in present law into the Construction Subfund of the TTF after all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax are satisfied.

4. Delete the annual tax of \$200 per year levied on each electric vehicle and the annual tax of \$100 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay registration license tax in accordance with present law.
5. Impose a one-time road use fee of \$1,000 on each electric vehicle and one-time road use fee of \$500 on each hybrid vehicle which is operated upon the highways of this state and which is required to be registered and to pay registration license tax in accordance with present law.
6. Change the collection of the fee from the office of motor vehicles every two years to motor vehicle dealers to be collected from the purchaser at the time of sale of a new or used electric vehicle or hybrid vehicle.
7. Delete provisions requiring the legislative auditor to commence a comprehensive audit of the Dept. of Transportation and Development to review the department's operations, organizational efficiency, and performance in regard to the department's utilization of operating revenues and to review the use of the avails of the taxes deposited into the Construction Subfund of the TTF.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Change the road use fee from a one-time fee to an annual fee and reduce the amount of the fee for electric vehicles from \$1,000 to \$200 per year and from \$500 to \$100 per year for hybrid vehicles.
2. Require the commissioner of motor vehicles to note the fuel type of electric and hybrid motor vehicles for purposes of collecting the road use fee.
3. Require the initial fee to be collected by the dealer at the time of purchase or lease of new or used electric or hybrid motor vehicles and collection of the fee in subsequent years by the office of motor vehicles.
4. Require the office of motor vehicles, no later than Jan. 1, 2022, to update forms related to the transfer of ownership of motor vehicles to include information regarding the fuel type of all motor vehicles required to be registered in this state.
5. Require the office of motor vehicles to collect the road use fee on all transfers of ownership of an electric vehicle or a hybrid vehicle.