

# HOUSE BILL REPORT

## ESSB 5251

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to electric vehicle license fees.

**Brief Description:** Concerning electric vehicle license fees.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Sheldon, Hobbs and White).

**Brief History:**

**Committee Activity:**

Transportation: 4/11/11, 4/14/11 [DPA].

**Brief Summary of Engrossed Substitute Bill  
(As Amended by House)**

- Establishes a \$100 annual fee for electric vehicles that use propulsion units powered solely by electricity that are capable of speeds of more than 35 miles per hour.
- Applies the electric vehicle annual renewal fee to registrations that are due on or after March 1, 2012.
- Establishes the distribution of the fee to various transportation accounts to be used for highway purposes.
- Establishes an expiration date for the \$100 fee, if the State of Washington ever imposes a vehicle-miles-traveled fee or tax.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 17 members: Representatives Clibborn, Chair; Billig, Vice Chair; Armstrong, Ranking Minority Member; Angel, Eddy, Finn, Jinkins, Johnson, Klippert, Kristiansen, Ladenburg, Moeller, Moscoso, Reykdal, Rodne, Rolfes and Takko.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Minority Report:** Do not pass. Signed by 12 members: Representatives Liias, Vice Chair; Hargrove, Assistant Ranking Minority Member; Asay, Fitzgibbon, McCune, Morris, Overstreet, Rivers, Ryu, Shea, Upthegrove and Zeiger.

**Staff:** Jerry Long (786-7306).

**Background:**

Generally, all passenger motor vehicles used on public highways are required to be registered annually with the Department of Licensing (DOL). The annual cost includes a \$30 license fee; a weight fee of \$10, \$20, or \$30 based on the weight of the vehicle; and smaller fees totaling \$3.75. Motor vehicles that use motor vehicle fuel pay the state's fuel tax of 37.5 cents per gallon. The funds are restricted in use by the State of Washington's Constitution and must be deposited to the transportation funds to be used for highway purposes.

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**Summary of Amended Bill:**

In addition to all other fees, motor vehicles that use propulsion units powered solely by electricity and are capable of being driven at a speed of more than 35 miles per hour must pay a \$100 fee annually when the registration is renewed. The fee applies to registrations that are due on or after March 1, 2012.

The fee provides funds to mitigate the impact of vehicles on state roads and highways. Proceeds from the fee must be used for highway purposes and be deposited in the Motor Vehicle Fund. If, in any one year, the amount of the proceeds from the fee collected exceeds \$1 million, the excess amount over \$1 million must be deposited as follows: 70 percent to the Motor Vehicle Fund; 15 percent to the Transportation Improvement Account; and 15 percent to the Rural Arterial Trust Account.

If the State of Washington imposes a vehicle-miles-traveled fee or tax in the future, the \$100 registration fee for electric vehicles would expire on the effective date of that legislation. If the \$100 fee expires, the bill requires the DOL to provide written notice to affected parties, the Chief Clerk of the House of Representatives, the Secretary of the Senate, the Office of the Code Reviser, and other parties deemed appropriate by the DOL.

**Amended Bill Compared to Engrossed Substitute Bill:**

The amended bill removes the requirement for the \$100 fee on the original registration.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Since electric vehicles do not pay a gas tax, the fee will help maintain the state's roadways, including county and city roadways. With this approach, electric vehicles will pay their fair share of the maintenance on the state's roadways. The fee is based on what an average person driving a car currently pays in gas tax per year. An average driver pays about \$200 per year in annual gas tax, based on a little less than 12,000 miles per year and about 20.5 miles per gallon. A person driving a sport utility vehicle pays approximately \$437 in annual gas tax, and a person driving a four-door sedan pays approximately \$272 in annual gas tax. Insurance rates are comparable for the electric cars as they are for fuel-powered cars. Fairness is a worthwhile goal.

(With concerns) Electric vehicles need to pay their share, but a vehicle-miles-traveled tax would be more appropriate, but not implementable at this time due to the infrastructure required for the state to track and collect the tax based on the number of miles a person drives. One way of doing this would be to collect the tax at the time of the annual registration each year. This fee sends a wrong signal, and it is recommended to place the fee into the Multimodal Account instead of the Motor Vehicle Account. Washington may want to look at Oregon's electric car proposal, where a electric car pays so many cents per mile. The \$100 may affect a person's buying behavior when deciding on a vehicle to purchase. It is recommended to not charge the fee on the original registration and charge it on the annual registration renewals. Stakeholders would like to see a different method of charging the fee instead of a flat fee. There is a concern about hybrids receiving an additional benefit since they pay the gas tax, but those vehicles will not be paying any fuel tax when using the electric capabilities of the vehicle.

(Opposed) The fee is counterproductive since the industry is just getting started, and the state needs to have incentives in place instead of disincentives. Electric car owners understand that everyone on the roadways needs to be treated fairly. Electric car owners, because their cars drive less miles than the average driver, would recommend that the fee be \$50 instead of \$100. The number of electric vehicles is very small in the state, presently about 1,000. The amount of revenue that would be collected until the number of electric vehicles increase is small. This fee will also be applied to the new electric motorcycles. Electric vehicles should not pay as much in fees as fuel car owners due to the fact that the electric cars are lighter on the roadways, do not drop fluids, etc., on the roadways, and create no pollution. Even though there are state and federal incentives for purchasing an electric car, the owner of an electric car already spends a lot of money to actually purchase the vehicle. The \$100 is a road tax. Depending on the number of miles a person would drive an electric vehicle, the gas tax equivalent based on the much less average miles per year in comparison to a person driving a fuel-powered car would be \$25 to \$78 based on 5,000 to 6,000 miles per year.

**Persons Testifying:** (In support) Scott Merriman, Association of Counties; Jeff Finn, Seattle Electric Vehicle Association; and Ashley Probart, Association of Washington Cities.

(With concerns) Dean West, Seattle Electric Automobile Association; Michael Shaw, Washington State Transit Association; Scott Hazlegrove, Washington State Automobile Dealers Association; and Peter Then, Sierra Club.

(Opposed) Steve Marshall, Center for Advanced Transportation Solutions; Ray Cartier, MC Eclectic Vehicles; Sandi Swartout, Alliance of Automobile Manufacturers; and Tom Saxton, Plug In America.

**Persons Signed In To Testify But Not Testifying:** None.