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SUBSTITUTE SENATE BILL 6586

State of Washington 66th Legislature 2020 Regular Session

By Senate Transportation (originally sponsored by Senators Saldaña, Hobbs, Liias, and Conway)

READ FIRST TIME 02/11/20.

AN ACT Relating to implementing a per mile charge on electric and hybrid vehicles; adding a new section to chapter 46.17 RCW; creating a new section; repealing RCW 46.17.324; providing an effective date; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature finds that increasing the rate of adoption of electric and hybrid vehicles is helping to reduce harmful air pollution from exhaust emissions, including greenhouse gas emissions, in the state. At the same time, the legislature also finds that there is a need to ensure that the greater adoption of electric and hybrid vehicles does not reduce funds to maintain and improve transportation infrastructure and that there is a need for fairness in how these funds are generated. The legislature also finds that a road usage charge or per mile fee system appears to be a viable method to ensure these goals are achieved. It is therefore the legislature's intent to impose a per mile fee to mitigate the impact of increased electric and hybrid vehicles on state roads and highways and to allow further evaluation of the feasibility of transitioning from a revenue collection system based on fuel taxes to a per mile funding system.

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- NEW SECTION. Sec. 2. A new section is added to chapter 46.17
 RCW to read as follows:
 - (1) By December 1, 2021, the department and the transportation commission must collaborate to develop an implementation plan for imposing a per mile fee on electric and hybrid vehicles pursuant to subsection (3) of this section and that incorporates the ongoing work of the transportation commission in evaluating a road usage charge. The plan must include, but is not limited to:
 - (a) Different mileage reporting options;

- 10 (b) Recommended fee methods and rates for achieving cost 11 efficiency, fairness, minimal administrative cost, payment 12 compliance, consumer choice, and preserving individual privacy;
 - (c) Options for variable rates based on the factors listed in (b) of this subsection and vehicle classifications of vehicles, ensuring vehicles are paying for their proportional impact on road preservation and maintenance costs, climate emission impacts, fuel efficiency, or other policy levers that the legislature may want to consider;
- 19 (d) Alternatives in the payment method to allow for monthly or 20 quarterly payment rather than payment on an annual basis;
 - (e) Any recommended statutory changes, including suggested offsets or rebates to the per mile fee to recognize other taxes and fees paid by electric and hybrid vehicle owners;
 - (f) Specific recommendations to better align the system with other vehicle-related charges and potentially establish the framework for broader implementation of a per mile funding system, including analysis of the preferred method for addressing eighteenth amendment restriction considerations; and
 - (g) A recommended implementation and governance structure, and transition plan with the department as the designated lead agency to operate and administer the per mile funding system.
 - (2) By January 1, 2024, the transportation commission shall establish a per mile rate or rates for the vehicles listed in subsection (3) of this section.
 - (3) Beginning July 1, 2024, the following vehicles will be subject to a per mile fee:
 - (a) An electric or hybrid vehicle that uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and is capable of traveling at least thirty miles using only battery power;

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1 (b) A vehicle that uses a hybrid electrical and internal combustion engine; and

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- (c) A state-owned passenger or light duty truck fleet vehicle.
- (4) (a) Before accepting an initial application or annual vehicle registration renewal for a vehicle specified in subsection (3) of this section, the department, county auditor, or other agent or subagent appointed by the director must require the applicant to pay a fee as specified in this section. This fee is in addition to all other fees and taxes required by law.
- (b) The rate of the per mile fee will be specified in subsequent legislation informed by the implementation plan and recommend rate or rates produced pursuant to subsection (2) of this section. In the event that subsequent legislation specifying a rate or rates for the vehicles specified in subsection (3) of this section is not enacted by February 15, 2024, the rate or rates shall be based on the specific recommendation produced pursuant to subsection (2) of this section.
- 18 (5) This section only applies to a vehicle that is designed to 19 have the capability to drive at a speed of more than thirty-five 20 miles per hour.
- 21 (6) Proceeds from the fee must be used for preservation and 22 maintenance and must be deposited in the motor vehicle fund created 23 in RCW 46.68.070.
- NEW SECTION. Sec. 3. RCW 46.17.324 (Transportation electrification fee) and 2019 c 287 s 23 are each repealed.
- NEW SECTION. Sec. 4. Section 3 of this act takes effect July 1, 27 2024.
- NEW SECTION. Sec. 5. Sections 1 and 2 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

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