

Department of Finance and Administration

Legislative Impact Statement

Bill: SB246

Bill Subtitle: AN ACT TO AMEND THE LAW CONCERNING ELECTRIC VEHICLES AND HYBRID VEHICLES; AND TO CREATE AN EXCEPTION TO THE REQUIREMENT THAT AN ADDITIONAL FEE BE PAID FOR ELECTRIC VEHICLES AND HYBRID VEHICLES.

Basic Change :

Sponsors: Sen. B. Johnson and Rep. Holcomb

SB246 amends § 27-14-614 to clarify that the additional registration fee for hybrid and electric vehicles levied under Act 416 of 2019 do not apply to a vehicle registration where the person has been issued a military service or veteran's special license plate under § 27-24-201, et seq. The additional hybrid vehicle fee of \$100 and electric vehicle fee of \$200 at initial registration or annual renewal would not be collected.

This bill applies retroactively to October 1, 2019.

Revenue Impact :

Loss of up to \$284,000 annually for the Department of Transportation.

[Estimate based on current hybrid and electric vehicles registered to military service and veterans with various military plate types. The bill provides a retroactive date of October 1, 2019. Refunds totaling approximately \$284,000 could be submitted by approximately 2750 vehicle owners that paid the additional fee since the effective date of October 1, 2019 of 416 of 2019. 2,646 hybrid vehicles at \$100 and 100 electric vehicles at \$200.]

Taxpayer Impact :

Military service persons and veterans who own hybrid or electric vehicles would no longer be required to pay the additional registration fee of \$100 for a hybrid vehicle or \$200 for an electric vehicle at initial registration or annual renewal.

Resources Required :

Computer programming, manual updates, and employee training would be required. A request for refund form to properly identify individuals for payment verification and current address. Cost estimate for programming is \$44,000 and \$4,000 yearly maintenance.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Computer programs and training manuals will need to be updated. Department employees and State Revenue Office employees will need to be educated on changes.

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Other Comments :

None.

Legal Analysis :

Act 416 of the 2019 levied additional annual registration fees on hybrid and electric vehicles. Act 416 did not provide for any exemptions from the annual registration fees, which are to be paid annually before the license plate can be renewed. Certain members of the armed forces and veterans are eligible for special license plates that are issued and renewed exempt from registration fees. See § 27-24-201, et seq. The legislative findings of § 27-24-202 provide, "It is found and determined by the General Assembly of the State of Arkansas that the men and women who have served our country and risked their lives to secure our freedom should be honored by the issuance of *free* special license plates as provided under this subchapter." SB246 amends § 27-14-614 to exempt those same individuals from the additional fees imposed on hybrid and electric vehicles, provided that the hybrid or electric vehicle is registered for a special license plate or special license plate with a permanent decal under § 27-24-201, et seq.