19.0516.03000

FISCAL NOTE

Requested by Legislative Council
03/08/2019

Amendment to: Engrossed SB 2061

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill as amended would impose an annual road use fee of $110, $50 for each hybrid vehicle, and $20 for each electric motorcycle.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2061 would increase revenue collected for Highway Tax Distribution, however; we cannot reliably quantify the revenue impacts of this bill as we have no way to determine how many “plug in” hybrid vehicles or electric motorcycles are currently registered in the state. NDDOT has no ability at the current time to track the number of plug-in hybrid vehicles or electric motorcycles as they are not tracked separately in the system. This bill would also require a onetime programming fee of $15,000. However, the programming costs may exceed $15,000 once we determine if we can track the plug-in hybrid vehicles and electric motorcycles through a database. If this is not possible through programming, it would become a manual process relying on owners notifying NDDOT if their vehicle fits into one of these categories. Given the short amount of time to provide updated fiscal impact, vendors were unavailable to give NDDOT the cost and probability of this amendment.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

NDDOT cannot reliably quantify the revenue impacts of this bill as we have no way to determine how many “plug in” hybrid vehicles or electric motorcycles are currently registered in the state. The revenue is allocated through the Highway Tax Distribution Fund to NDDOT (61.3%, counties (22%), cities (12.5%), townships (2.7%), and transit (goes to NDDOT)(1.5%).

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NDDOT Motor Vehicle Division will incur a onetime cost of approximately $15,000 for computer programming costs. However, the programming costs may exceed $15,000 once we determine if we can track the plug-in hybrid vehicles and electric motorcycles through a database. If this is not possible through programming, it would become a manual process relying on owners notifying NDDOT if their vehicle fits into one of these categories.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

NDDOT Motor Vehicle Division will incur additional one-time costs of approximately $15,000 for computer programming. However, the programming costs may exceed $15,000 once we determine if we can track the plug-in hybrid vehicles and electric motorcycles through a database. If this is not possible through programming, it would become a manual process relying on owners notifying NDDOT if their vehicle fits into one of these categories. These additional costs were not included in NDDOT's appropriation request for the 2019-2021 biennium.

Name: Lindi Michlitsch

Agency: NDDOT

Telephone: 328-2734

Date Prepared: 03/11/2018

19.0516.02000

FISCAL NOTE
Requested by Legislative Council
01/25/2019

Amendment to: SB 2061

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$266,778		$261,198
Expenditures				$15,000		
Appropriations				$15,000		

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties		$88,202	$91,502
Cities		$50,115	$51,990
School Districts			
Townships		$10,825	$11,230

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill as amended would impose an annual road use fee of $110 for each electric vehicle and $50 for each hybrid vehicle and provides definitions of such vehicles.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill would increase revenues collected upon annual registration of electric and hybrid vehicles and places those revenues into the Highway Tax Distribution Fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

There are currently 141 electric vehicles and 3,849 hybrid vehicles registered in North Dakota. Under the provisions of this bill the Highway tax distribution fund will gain approximately $400,920 in revenue the first biennium and $415,920 for each subsequent biennium. The revenue is allocated through the Highway Tax Distribution Fund to NDDOT (State)(61.3%), counties (22%), cities (12.5%), townships (2.7%), and public transportation (State via NDDOT) (1.5%). For the 19-21 biennium, the State revenue impact also reflects the $15,000 revenue to the Motor Vehicle Fund (from the gross proceeds of the fees) to cover the one-time computer programming costs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NDDOT Motor Vehicle Division will incur a onetime cost of approximately $15,000 for computer programming costs

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

NDDOT Motor Vehicle Division will incur additional one-time costs of approximately $15,000 for computer programming. These additional costs were not included in NDDOT's appropriation request for the 2019-2021 biennium.

Name: Lindi Michlitsch

Agency: NDDOT

Telephone: 328-2734

Date Prepared: 01/28/2018

19.0516.01000

FISCAL NOTE

Requested by Legislative Council
12/21/2018

Bill/Resolution No.: SB 2061

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$377,738		$387,158
Expenditures				$15,000		
Appropriations				$15,000		

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties		$132,329	$135,629
Cities		$75,187	$77,062
School Districts			
Townships		$16,240	$16,645

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would impose an annual road use fee of $248 for each electric vehicle and $71 for each hybrid vehicle and provides definitions of such vehicles.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill would increase revenues collected upon annual registration of electric and hybrid vehicles and places those revenues into the Highway Tax Distribution Fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

There are currently 141 electric vehicles and 3,849 hybrid vehicles registered in North Dakota. Under the provisions of this bill the Highway tax distribution fund will gain approximately $601,494 in revenue the first biennium and $616,494 for each subsequent biennium. The revenue is allocated through the Highway Tax Distribution Fund to NDDOT (61.3%), counties (22%), cities (12.5%), townships (2.7%), and public transportation(1.5%).

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NDDOT Motor Vehicle Division will incur a onetime cost of approximately $15,000 for computer programming costs

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

NDDOT Motor Vehicle Division will incur additional one-time costs of approximately $15,000 for computer programming. These additional costs were not included in NDDOT's appropriation request for the 2019-2021 biennium.

Name: Lindi Michlitsch

Agency: NDDOT

Telephone: 328-2734

Date Prepared: 12/27/2018

2019 SENATE TRANSPORTATION

SB 2061

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2061
1/4/2019
30412 (35:25)

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

Relating to a road use fee for electric and hybrid vehicles.

Minutes: 5 Attachments

Chairman Rust: Open hearing on SB 2061. Title of bill read by committee clerk.

Senator Kreun: Senator from district 42**, i**ntroducing SB 2061 concerning road use fees. In 2017 almost 200,000 electric vehicles were sold, more than any other time in US history at this point, mainly due to automakers expanding the development and production. Electric vehicle sales make up about 1% of light duty cars in the US. However, as sales continue to climb the fear is declining revenues from gas taxes. Our highway repairs and improvements have traditionally been funded primarily by state and federal taxes collected at the pumps. Electric vehicles pay the same registration fees as traditional vehicles, but don't use gasoline so they don't contribute to the upkeep of our roads through gas tax. Not only are electric vehicles contributing to the loss in revenue, so are vehicles getting better gas mileage. As of October 2018, 21 states have enacted legislation requiring a special registration fee for electric and hybrid vehicles. Most states have not seen significate revenue due to the small market share of electric and hybrid vehicles. I support the fees to bring equality among drivers to pay for the use of roadways. Future revenue streams will grow if forecast sales of hybrid and electric vehicle sales continue. One of the things that is taking place at EERC is the development of charging so that batteries that can charge from the air as the vehicle drives. Also, as has happened in other countries is the exploration of autonomous electric semis. I will stand for any questions. See **Attachment #1** for additional information to testimony.

Chairman Rust: At the request of the sponsor of the bill we will also reschedule SB 2061 for Thursday January 10, 2019 at 9:30 to taken new testimony only.

Senator Bakke: When this fee is imposed would it just be added on to the registration fee?

Senator Kreun: The way we envision this working is that it would just be added on to the license fee each time it is renewed.

Chairman Rust: How did you come up with the dollar figures?

Senator Kreun: Referred to Attachment #1 for fee calculations.

Chairman Rust: So this would collect both state and federal taxes then?

Senator Kreun: That is correct.

Chairman Rust: We will hear testimony IN FAVOR of the bill first and OPPOSED after that. Is there anyone here to testify in favor of this bill? Also, please remember to sign in before testifying.

Blake Crosby, Executive Director ND League of Cities: I am testifying in favor of SB 2061. As we are well aware and as Senator Kreun stated currently gas taxes help to pay for our roadway repair, maintenance – such as snow plowing - safety design and law enforcement. Having an electric or "plug-in vehicle" does not mean those costs are reduced. We currently have some significant roadway infrastructure problems that are only going to get worse. Those of us that use the roads have a responsibility to pay for that use. I've not seen anything indicating that plug-in vehicles have less of an impact on our roads. Electric cars and hybrids (I'll use the term plug-ins to cover both) are here to stay. **Attachment #2**. If you look at the graph. **Attachment #2 page 2**, the white line shows car fleet numbers. Chrysler, Ford and Chevy are moving toward building plug-in vehicle fleets. The blue line represents monthly sales. There were 1.4 million plug-in cars sold in 2018. Those vehicles are coming to ND. SB 2061 is the right thing to do. I urge a Do Pass. I will do the best I can to answer any questions you might have.

Chairman Rust: Do you view SB 2061 being proactive rather than reactive?

Mr. Crosby: Yes, I do.

Chairman Rust: Your thinking is, they're coming and will be a larger portion of the vehicles on the road. So we need to start this at the beginning rather than waiting and trying to catch up

Mr. Crosby: That is correct, they are here and they will only increase in numbers on our roadways.

Mike Gerhart, ND Motor Carriers Association: At the end of the day SB 2061 is about user fees and creating fairness on our roadways making sure that funding is available to repair roads when they're damaged. It addresses the challenges this state will face in the future as more of these vehicles become available and are used.

Vice Chairman Clemens: Could you explain a little bit of user fees that are already being collected for heavier vehicles that are on the roads?

Mr. Gerhart: Commercial motor vehicles pay permitting fees, registration fees, as well as the fees at the pump when they fuel up.

Vice Chairman Clemens: Is it true that a heavier vehicle pays the fuel tax at the pump, plus up to an additional $1000 for a license as compared to a regular motor vehicle?

Mr. Gerhart: That is correct.

Russ Hanson, Associated General Contractors of ND: We too are in favor of the user fee concept and those using the road to contribute to it in some way.

Chairman Rust: Is there testimony opposed to SB 2061

Destiny Wolf, citizen: **Attachment #3** I'm opposed to this bill for the way it is written. See **Attachment #3** for terms. We used publically accessible data to do our own calculations. 2014 was the most complete data set we could access. The average miles driven in ND was 11,241 and according to the EPA the average mileage that year was 24 mpg. We should use the state gas tax rate of $.23 per gallon only, because the federal tax goes into the federal coffers, that way we can figure out the actual amount that stays in ND to maintain our roads. The average ICE driver paid $107 per year in gas taxes not $248 which is the proposed fee amount in this bill. The consensus of EV drivers is that we should be paying something for using the roads. We want it to be fair, so we came up with a few different proposals for consideration. A flat tax around the $107 that the average ICE driver pays rather than the $248. We could certainly consider paying more in our registration fees, perhaps the weight fee within registration fees should looked at across the board and raised. Also, we could pay per mile $.01 per mile would bring things more in-line with ICE drivers. We feel the per mile fee (with annual reportings required) would be the best option. This way those who drive more pay more and those who don't use their vehicle very much don't have to pay as much.

Chairman Rust: Some may think the per mile fee is pretty government intrusive, any thoughts on that?

Ms. Wolf: Some may say that and it's hard to argue against that however, I have no problem reporting my fees so I can pay fairly. It's no different than a data plan on your phone.

Chairman Rust: How would that be reported?

Ms. Wolf: We were thinking we could get dealers so every time you go in for service mileage is logged and having a 15-day window of service get that mileage read and then come in to reregister your vehicle.

Senator Dwyer: Wouldn't it just be way simpler to just choose a set of miles and use that rather than having everyone having to report their miles every year?

Ms. Wolf: It would and that is why that is one of my proposed options.

Vallie Needham, citizen: Attachment #4 I'm testifying on behalf of my father. See **Attachment #4** for testimony.

Chairman Rust: See **Attachment #5** for additional testimony provided to the committee. Hearing closed for the day.

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2061
1/10/2019
30641

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to a road use fee for electric and hybrid vehicles.

Minutes: 6 Attachments

Chairman Rust: Opened hearing on SB 2061.

Senator Kreun, District 42: I'm introducing SB 2061 relating to road use fees. As I have already indicated this is a fairness issue as far as being able to put road taxes or fees into repairing the roads and going directly into the road funds. So that's the idea, to be fair and comparable with the other vehicles that are on the road utilizing them. We have a new type of vehicle that is electric, I hope in March you will be able to order your electric Harley Davidson motorcycle, my point is that this technology is moving very fast, we already discussed the semi-trucks, and we are going to need to take care of it. There are far more cars on the roads now than I even indicated prior to this and it's going to become more and more and it will be coming to North Dakota.

Brad Magnuson: See **Attachment #1** for testimony.

Josh Fisher, State Government Affairs, GlobalAutomakers: See **Attachment #2** for testimony.

Levi Andrist, GA Group, Alliance of Automobile Manufacturers: It is my pleasure to introduce Leighton Yates from the Auto Alliance.

Leighton Yates, Senior Manager, Auto Alliance: See **Attachment #3** for testimony.

Chairman Rust: are you comfortable with a lower number for a fee or are you against a fee all together?

Mr. Yates: In any instance we would prefer a much lower number. Typically, we encourage states that have a much higher electric vehicle penetration to levy these sorts of fees. Only because as I mentioned it's a hindrance to people who would like to purchase a hybrid or electric vehicle. It's one extra added cost to a technology that as our maturation numbers

have shown and sales numbers that the market of electric and hybrid vehicles in the state will need to grow to have an impact on the funding as this bill's goal is.

Chairman Rust: So you are ok with a lower number?

Mr. Yates: If the state was pressed to pass a fee we would ask for a much, much lower number.

Senator Clemens: Concerning a hybrid what percentage of the operation of that vehicle would be attributed to a fossil fuel versus electricity?

Mr. Yates: That would depend on the type of hybrid. Some have fossil fuel parts that power only certain parts of the vehicle, others rely more on electricity. It would be very hard to answer that question precisely.

Dustin P: I'm a former hybrid owner. I oppose these fees going to road use and suggest if there is going to be a higher fee use it to invest in electric car infrastructure, charging stations and things like that. Electric cars are the future and not only support the coal industry but all the above energy solutions. Let's move forward with wind and other technologies. More and more people are going to be driving electric vehicles. When I was a hybrid driver I would take the back highways and set my cruise control around 55 mph and average 60-65 miles/gallon. Obviously that has some impact on the tax revenue, but overall probably within the next couple of biennium the formula to fund roads will have to be redone as a whole. While I don't know what those solutions are, disenfranchising people from driving electric is what this seems like it will do. So I would be opposed to this in its current form.

Andrew Alexis Varvel: I'm against this bill. However, I came here mainly to float some ideas for alternative funding structures. I'm concerned about the fairness of this particular version but at the same time I think the basic alternatives are either a flat tax for everybody or probably a better view is to keep the gas taxes but also to levy a surcharge on the electric bill. This would be in many respects like taxing gasoline at a certain rate. Simply look at the number of vehicles a person has multiply that by a certain factor per kilowatt hour for example for the electric bill. Since most people are on the grid that would work. For those people who aren't on the grid I believe most of them would probably be using kerosene, so you would still want to be taxing that. Even for those who don't drive one needs to consider if one buys groceries from a grocery store and has them delivered etc. that uses the roads as well. Whether one is using refrigerators, stoves or computers looking at the electricity surcharge as the future of paying for roads I think makes some sense.

Clair Cudworth: See **Attchment #4** for testimony.

Don Larson, General Motors: Leighton Yates did a really good job representing the industry and I echo his sentiments.

Linda Sitz, Strategic Innovation Manager, North Dakota Department of Transportation: See **Attachment #5** for testimony and information.

Chairman Dwyer: What do you mean the proposal would replace the state tax, but doesn't replace the federal tax?

Ms Sitz: If we were looking at doing a fee we would just put that as a state tax because that would be what the calculation would come out to and that is how the other states are doing it. As far as the federal side, we wouldn't do anything on the federal side.

Senator Dwyer: So in other words you wouldn't send on any revenues.

Ms Sitz: The Department of Transportation doesn't send on anything like that, the Tax Department handles that. So we wouldn't do calculations for the federal side.

Senator Bakke: So they would be paying the $125 annually plus an additional $110 or $40 rather than the $248 and $71 we were hearing about previously, is that correct?

Ms Sitz: That is correct.

Senator Clemens: There was concern in testimony that this fee would be affecting a vehicle that was not being used, let's say it's parked in the garage. Could you expand on that concerning commercial vehicles that are charged a substantial fee and may not be used? Just to make sure that's correct.

Ms Sitz: There is no allowance or exemption for any vehicle that is not being used.

Senator Bakke: I assume the fees on the back are what they are charged in addition to their registration fee in their states. Where does North Dakota stand in the registration fees in regards to other states, are we lower or higher?

Ms Sitz: I don't know that but I can get that information for you.

Chairman Rust: Since the highway gas tax is $.23 and $.18 I presume when this tax is collected it's the Tax Department that then sends the money to the federal government?

Myles Vosberg, North Dakota Tax Department: We only collect the North Dakota tax there is separate reporting to the federal government for their tax.

Senator Bakke: Who does take care of that federal tax?

Mr. Vosberg: There is a separate reporting mechanism for the federal tax that goes to the federal government. I think it's similar to North Dakota, it is the wholesalers that remit the tax to us. When a wholesaler sells to a retail station or to a bulk customer they report and remit that tax to us. I'm not real familiar with the federal government, but I think it's on a similar basis where a wholesaler or manufacturer remits that tax to them.

Senator Clemens: Addressing these 2 taxes the $.23 is for state funded roads and the $.18 is for federally funded roads?

Mr. Vosberg: That is correct, that money goes to the federal government, however how they divvy it up or appropriate it on the federal level is completely up to them.

Senator Bakke: Linda do you happen to know when the last time the registration fee was raised?

Ms Sitz: I think it was in 2000, but I will check for sure.

Chairman Rust: Closed hearing on SB 2061.

See **Attachment #6** for more information provided by **Linda Sitz, Strategic Innovation Manager, North Dakota Department of Transportation.**

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2061
1/17/2019
31023

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to a road use fee for electric and hybrid vehicles.

Minutes: 1 Attachment

Chairman Rust: Brought discussion to SB 2061. This is the bill that deals with electric vehicles. I don't know that we are ready to pass this one out today, but I do want to give you some information so that we can think about it. This is the amendment that I would like you to take a look at. See **Attachment #1** for amendment. So essentially what we're going to do is attach a study to have three pieces basically, department of transportation, utilities and the North Dakota electric vehicle stakeholder groups study the situation and then possibly bring forth legislation for the next legislative session.

Senator Clemens: Does this study include the extra fees?

Chairman Rust: No.

Senator Clemens: So then it wouldn't really have anything to do with this bill, right?

Chairman Rust: Well, we're going to attach it to the bill.

Senator Clemens: You will attach it?

Chairman Rust: We will attach it. It will then become Section 2. If you notice it the bill has one section now, this will be a new section to the bill. Now with regard to the fees Senator Clemens I believe somebody, Senator Dwyer you're looking at an amendment. Have you drafted that amendment?

Senator Dwyer: No, but Mr. Chairman if we were going to do a study wouldn't we want to hog-house this whole bill and just do a study?

Chairman Rust: I suppose we could do that. My personal opinion is I don't know why you couldn't start the fees and then do the study.

Senator Bakke: I'd be much more comfortable if this were just a study and we weren't to impose the fees until we had the results of the study. My personal feelings are that the Department of Transportation has some heartburn over some money situations and they haven't raised their fees for driver's license, they haven't raised their fees for registration and so now this is something they are kind of latching on to, to get some money. I just feel, here are people who are trying to be environmentally responsible by using electric and hybrid cars and they are going to penalized because of that and I would rather see what the results of the study are before we start charging them.

Chairman Rust: You'll notice the study has nothing to do with fees though.

Senator Bakke: Isn't it about the use of the roads? Won't that be looked at and what their impact is on the roads? Is that included in your study, or is this just about where they will put electric stations?

Chairman Rust: the first part is, "collaborate with various groups to design a jointly owned public and private network of electric vehicle infrastructure." It's for private and public network of electric vehicle infrastructure and to "make recommendations regarding electric vehicle charging infrastructure, relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact." It does not have anything in it with fees.

Senator Bakke: If we're putting in this infrastructure and someone has an electric car and they have to plugin to this electric box I would think they're going to be charged a fee when they plugin, correct?

Chairman Rust: Different from this fee though.

Senator Bakke: But I'm saying that would then come out of this. I guess I agree, just hog-house. Take out what the language is there and put in the study would be my preference.

Senator Clemens: if we add Section 2 to this bill and then vote on it we're going to be voting on the fees.

Chairman Rust: I guess my thinking is we're not going to vote on it today. Unless we're all pretty much ready to vote. I kind of prefer voting on the bill attaching a study, and if we want to change the fees we have another amendment come in.

Senator Dwyer: so if we were going to do that the amendment that I would offer, I haven't prepared anything yet, but rather than $248 it would be based on just the state gas tax of 23¢ per gallon multiplied by 12,000 miles (the DOTs number), divided by 25 m/gallon which comes to $110 for the electric vehicle. I think the likelihood of this passing is probably 50/50 or maybe less. So if you add the study that's going to go down too. I mean if you have the fees and the study they're all going to go down together, if it doesn't pass.

Senator Bakke: Unless we split the bill on the floor. You can always split the bill and vote on Section 1 and vote on Section 2 separately, correct?

Chairman Rust: Yes, you can.

Senator Bakke: I agree that if we really want the study then I think that study should be all that's in the bill or else have another with just the study.

Senator Clemens: I want to address a couple of things. I agree with Senator Dwyer, I think $110 is more reasonable and I would agree with that. I actually rode with a guy, Representative Satrom, has a hybrid and I asked him about it and they don't use a lot of electricity. They get maybe 20 miles on a charge otherwise it's using gas. So I was looking $110 for all electric, $50 for hybrid and then I think I agree having two separate bills. One for the study and one for this. Because the study is dealing with infrastructure of charging stations and really has nothing to do with the fees.

Chairman Rust: Senator Dwyer would you be willing to try to get an amendment by tomorrow?

Senator Dwyer: Sure.

Chairman Rust: Then what we'll do; tomorrow after our hearings but before noon, we should be able to get back to this bill again. That would give us a little bit of time to think about it and decide. That would mean if we decide to indeed split it into two bills we have Monday to do that.

Senator Dwyer: I guess that was my point, if we want to separate we have a window of opportunity that is fairly short to put the study in a separate bill. We would need to do that either tomorrow or Monday.

Chairman Rust: Monday is the deadline.

Senator Dwyer: I'll have an amendment prepared using $110 for the electric and $50 for the hybrid.

Chairman Rust: Closed committee discussion on SB 2061

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB2061
1/18/2019
31055

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to a road use fee for electric and hybrid vehicles.

Minutes: 1 Attachment

Senator Dwyer: This is the proposed amendment to SB 2061 that would reduce the fee for an electric vehicle to $110 and the fee for a hybrid vehicle to $50 and this was prepared by legislative council. See **Attachment #1** for amendment.

Chairman Rust: Can you give the mechanics off how you arrived at that amount?

Senator Dwyer: The mechanics are, the Department of Transportation had testimony that the average miles driven of a vehicle in North Dakota are 12,000. Their testimony also stated that the average miles/ gallon was 25 miles/gallon. So if you use just the North Dakota gas tax of 23¢ and not including the federal that's what it calculations out to.

Chairman Rust: So you take 12,000/25 then multiply by 23¢.

Senator Dwyer: It comes to 480 then multiplied by 23¢ it comes to $110

Chairman Rust: We will take that bill up next week. Adjourned committee for the week.

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB2061
1/24/2019
31423

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to a road use fee for electric and hybrid vehicles; and to provide for a legislative management study.

Minutes: 2 Attachments

Chairman Rust: This is the bill that deals with electric vehicles and hybrids. I believe you have previously been handed two amendments. See **Attachments # 1-2** for amendments.

Senator Dwyer: I move that Amendment 19.0516.01002 **Attachment #1** be passed.

Chairman Rust: Is there a second?

Senator Patten: I second.

Chairman Rust: Remind us what your amendment does.

Senator Dwyer: We came up with a fee of $110. It was based on average travel of 12,000 miles per year, that was in one of the testimonies from Department of Transportation divided by the average miles per gallon which was 25 miles/gallon, that was also in some of the testimony from Department of Transportation. That comes to 480 gallons multiplied by just the state portion of the gas tax and the comes to $110. The $50 was just suggested by Senator Clemens I believe.

Senator Clemens: Yes, it was.

Chairman Rust: Is everybody clear on what the amendment does? What the amendment would do is lower the amounts in subsection 1, a. and b.

Voice Vote Taken: Amendment Passes.

Chairman Rust: The other amendment I have deals with a study. I think that is a pretty good idea, we need to look at having a collaborative study on charging stations if this is going to work out.

Senator Bakke: We talked about kind of hog-housing the bill and making it a study to look into the fees and the infrastructure we would need to put in place for electric cars and hybrids, but also look at the fee structures coming out of the Department of Transportation which would include vehicle registration and all of that to kind of help them get their fees to where they're…you know we helped with the one bill, but we still have other fees that we need to address. That was one thing I was interested in, because I do have so heartburn over the fact that have people who are being environmentally responsible by having hybrids and electric cars and then we're saying well, we're going to make you pay for it. They paid extra for these cars and now we're going to make them pay even more for their vehicle registration. That just bothers me for some reason.

Senator Clemens: I see what Senator Bakke is talking about. However, people that buy economy cars are also putting forth an effort to the environment, but they're buying their gas at the pump and they're paying 23¢ per gallon to help with the upkeep of our roads, for the use of that car. So I see no difference, even though it's electric they're still using our roads. I know electric cars are smaller, but there's also small cars out there using gas. So, I feel very comfortable. We've lowered this substantially and I think it's very fair, the fees we came up with. I fully support the fees. We've been hearing a lot of things this morning about funding the Department of Transportation. I think this is one of the fairest things I've seen to help fund that. Because it's based on the use of the highway.

Chairman Rust: I'm looking I guess at the study. Do you think it's worthy? If it is in order for it to be included in the bill I need a motion.

Senator Patten: I would move that we include the study (19.0516.01001 **Attachment #2**) as an amendment to the bill.

Senator Dwyer: I'll second the motion.

Chairman Rust: Further discussion on the study. Notice that it is a legislative study, "SHALL" consider, and it's using the electric vehicle infrastructure coalition. I am told by Linda Sitz of the Department of Transportation that this committee has been doing work already on this subject. So what you're going to ask this committee to do is to kind of reactivate, it's led by the Department of Transportation, and collaborate with the utility industry. Because if you're going to have charging stations you're going to have them involved. Also, the electric vehicle stakeholder groups and for that matter to design a jointly owned public and private network of infrastructure.

Senator Clemens: I agree with the study, but I have a problem with it being called a "jointly owned public and private" because I don't think the state wants to get involved in having to start funding public owned charging stations. I think that should be a private enterprise.

Chairman Rust: So you would want to limit the study to private and not even want to study the possibility of public? It's a study.

Senator Clemens: Although it is saying to design a jointly own public and private. I think you're going to tie public funds into this private network following the study.

Chairman Rust: Then we kill it.

Senator Patten: I believe the relevance of the public component would probably be feasible to put charging stations for example at the rest areas on the interstates or to the abandoned rest areas on the interstates. In other-words it may not be the state owning the charging station but the state coming in to contracts with private entities to host a charging station, type of a thing. I think that would be the component.

Voice Vote Taken: Amendment Passes.

Chairman Rust: Now we have SB 2061 that changes the dollar figures and adds a study.

Senator Bakke: Now you've put me in a real dilemma, because I agree with the study, but I'm not sure I agree with the rest of the bill.

Senator Dwyer: I'm in the same box, because I understand the people that are buying these electric vehicles, but I introduced a bill to increase license fees and Senator Bakke you Co-Sponsored that with me. So if we're going to be consistent, that's the side I'm going to be on.

Senator Dwyer: I move a Do Pass As Amended.

Senator Patten: I Second.

Chairman Rust: We are voting on the bill as amended, which lowers the dollar figures in 10 and 12 and adds a study.

Senator Patten: When I look at this the modification in the fees seem pretty reasonable I agree with Senator Clemens regarding that. When you want to look at the desire potentially of providing breaks to people that choose to engage in the use of electric and hybrid cars, it's still use of our roads. While we have very small usage right now, if you wanted to expand that small usage and say ok, what would we do if it was 25% of our usage or 50% or 75% at that point then all of a sudden we have a huge hole in our funding. So to me this is the stage where it puts it on the books that yes, if you're going to do a hybrid or electric car, you're using our roads it's appropriate that you have an associated fee related to that if it's not going to be paid in the form of a gas tax. I respect their choices but it still somebody driving down the road and having an impact on the road.

Chairman Rust: My opinion, is that right now the electric car sales are about 1% but I think most of us here understand that's probably going to go up as those become better. There are 21 states that have enacted fees, so we would not be the first. I guess I favor it as amended. Any further comments?

Roll Call Vote Taken: Pass 4-2-0
Carrier: Senator Patten

19.0516.01002
Title.

Prepared by the Legislative Council staff for
Senator Dwyer
January 17, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 10, replace "two hundred forty-eight" with "one hundred ten"

Page 1, line 12, replace "seventy-one" with "fifty"

Renumber accordingly

Prepared by the Legislative Council staff for
Senator Rust
January 17, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 2, after "vehicles" insert "; and to provide for a legislative management study"

Page 1, after line 24, insert:

"**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK.** During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure which will support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

19.0516.01003
Title.02000

Adopted by the Senate Transportation Committee

January 24, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 2, after "vehicles" insert "; and to provide for a legislative management study"

Page 1, line 10, replace "two hundred forty-eight" with "one hundred ten"

Page 1, line 12, replace "seventy-one" with "fifty"

Page 1, after line 24, insert:

"**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK.** During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure to support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the Sixty-seventh Legislative Assembly."

Renumber accordingly

Date: 1/24/2019
Roll Call Vote # 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO: SB 2061

Senate Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0516.01002

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Dwyer Seconded By Senator Patten

Senators	Yes	No	Senators	Yes	No
Senator Rust - Chairman			Senator Bakke		
Senator Clemens - Vice Chairman					
Senator Dwyer					
Senator Fors					
Senator Patten					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Voice Vote was taken. Vote Passed.

Date: 1/24/2019
Roll Call Vote # 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO: SB 2061

Senate Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0516.01001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Patten Seconded By Senator Dwyer

Senators	Yes	No	Senators	Yes	No
Senator Rust - Chairman			Senator Bakke		
Senator Clemens - Vice Chairman					
Senator Dwyer					
Senator Fors					
Senator Patten					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice Vote was taken. Vote Passed

Date: 1/24/2019
Roll Call Vote # 3

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO: SB 2061

Senate Transportation Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Dwyer Seconded By Senator Patten

Senators	Yes	No	Senators	Yes	No
Senator Rust - Chairman	X		Senator Bakke		X
Senator Clemens - Vice Chairman	X				
Senator Dwyer	X				
Senator Fors		X			
Senator Patten	X				

Total (Yes) 4 No 2

Absent 0

Floor Assignment Senator Patten

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2061: Transportation Committee (Sen. Rust, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2061 was placed on the Sixth order on the calendar.

Page 1, line 2, after "vehicles" insert "; and to provide for a legislative management study"

Page 1, line 10, replace "two hundred forty-eight" with "one hundred ten"

Page 1, line 12, replace "seventy-one" with "fifty"

Page 1, after line 24, insert:

"**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK.** During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure to support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the Sixty-seventh Legislative Assembly."

Renumber accordingly

2019 HOUSE TRANSPORTATION

SB 2061

2019 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2061
2/28/2019
#33030

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Jeanette Cook

Explanation or reason for introduction of bill/resolution:

A BILL relating to a road use fee for electric and hybrid vehicles; and to provide for a legislative management study.

Minutes: Attachments 1-7

Chairman Ruby opened the hearing on SB 2061.

Representative Owens, District 16, introduced SB 2016. He stated that this bill will establish a user fee for electric vehicles and hybrid vehicles in our state to help pay their share of the road maintenance. It establishes a flat user fee for electric vehicles, $110, and $50 for a hybrid. The money is deposited in the Highway Distribution Fund. It also includes a management study on this topic.

Representative Weisz: Will this include electric motorcycles?

Representative Owens: I received a letter from the motorcyclists. They want to be ruled out and not pay for the use of the highway. While they only use them about 7 months of the year, I feel that the motorcycles should be included to some extent, probably not the total fee. I don't think that motorcycles were in the forefront when the bill was drafted, but if the committee would like to amend to add motorcycles at a lower amount, that would be fine.

5:00
Senator Kruen, **District 42 in Grand Forks**, introduced SB 2061 and provided testimony. See attachment #1. He explains the road usage by electric vehicles and hybrids, and the probable increase in these vehicles. Currently, they do not pay road tax. He supports the fees to bring equality to the users of the road. A study was added to the bill too.

14:40
Blake Crosby, Executive Director of the North Dakota League of Cities, spoke to support SB 2061 and provided written testimony. See attachment #2.

18:00

Don Larson, General Motors, spoke to support SB 2061 and provided written testimony. See attachment # 3.

Russ Hansen, North Dakota Contractors, stood to support SB 2061 and encouraged a DO PASS.

Mike Gerhart. North Dakota Motor Carriers Association, spoke in support of SB 2061 and encourage a DO PASS.

There was no further support for SB 2061.

Brian Kopp spoke in both opposition and possible support for SB 2061, depending on the final draft of the bill. We are in alignment with the motorcycle riders, we think we should have to pay our share of the road tax. **We really would like to see the per mile fee brought back**. Some person might buy a collector electric vehicle and register it in the state; it might just go one hundred miles in a year. That would be a $110 road fee for the hundred miles. Would this fee be the first time you register, or upon renewal?

Representative Owens: The way the bill is written now, when you buy the car and register it, you would pay the $110. Then each year you pay again. You are paying forward.

Brian Kopp: I would be opposed to that because with a gas vehicle you don't pay anything up front; you pay as you use. That is a fee that would be applied up front, and may never be utilized by the people who are paying it.

- We agree that this bill is looking to the future. The goal of this bill is to make sure that there is not a gap in the future for the road taxes. It is important that this gets done in a timely manner, but it is also important that it gets done correctly, but not punitively. That is where the "per mile" would be better.
- There is a misconception between electric, battery hybrids, and hybrid vehicles. A hybrid vehicle is 100% gasoline or diesel powered. To single them out would be to put a $50 fee on certain group of people because they bought a slightly more efficient vehicle because it recuperates energy on braking.
- I pointed out to the Senate that the bill needs to say plug-in hybrid electric vehicle. Then I support the $50.
- EV's are in the low 100s for mpg as far as efficiency if compared to a gas vehicle. So, they are being charged way too much.
- The federal taxes should not apply; we feel they should come from the feds and not the state.
- We would definitely like to be part of the shareholders group that is mentioned in the study.
- We are not in support of the bill the way it is right now, if you add back in, the per mile and don't charge us up front the first year for something we haven't done yet. Then we would be supportive.

Chairman Ruby: I do have an amendment from your representative. An amendment was provided for SB 2061. See attachment # 4.

We do think you had some valid concern about the miles driven in-state versus out-of-state. Do you have any solution for that?

Brian Kopp: There isn't a great solution for passenger vehicles for the out-of-state. However, with the miles driven in electric vehicles at this time. I would still like to see it in there, instead of missing the boat altogether.

Dennis Kooren, Fargo owner of a Highlander hybrid, spoke to oppose SB 2061. Written testimony was provided. See attachment #5. It was a letter to explain hybrid vehicles and the unfairness of additional taxes on some of the hybrids. He feels that the legislators need to fully understand the differences of the hybrids and electric vehicles. He feels that the EV owners should just have to pay their fair share. He thinks the amendment will fix a lot of the problem.

Shawn Nelson, EV driver from Bismarck, spoke to oppose SB 2061. Written testimony was provided. See attachment # 6.

Representative Hager: Do you think that you drive 12,000 miles a year in your EV?

Shawn Nelson: No, I have driven about 3,100 miles in my Volt in 10 months.

Representative Hager: Of the choices you offered us, which would you rate first?

Shawn Nelson: I believe it should be driver choice to choose the method of reporting because of some privacy issues.

Representative Hager: Are the rates in the bill palatable to you?

Shawn Nelson: To me they would be.

Chairman Ruby clarified that Shawn Nelson's testimony was about 2061.

Chairman Ruby: I have some problems with the vehicle miles driven. It does make a difference where you are driving your vehicle as to the mileage you get. We could pay more than double for the same tank of fuel because of the way a person drives.

Dr. Dexter Perkins, a geologist at UND, spoke to oppose SB 2061 and provided written testimony. See attachment # 7. Most of testimony was not relevant to SB 2061.

Chairman Ruby: Sir, I appreciate your comments but I would appreciate it if you would stick to the bill.

Dr. Dexter Perkins: I would respectfully recommend that you go ahead with the study, but defer any other sort of legislation at this time.

There was no further testimony in opposition to SB 2031.

Chairman Ruby: Linda Sitz, if this bill was amended to be plug-in only would we have to update the fiscal note?

Linda Sitz: Either way, we would have to update our system. After my conversation with Dennis Kooren, I did verify my numbers. Currently our system does not separate out the hybrids in the different classification. It is something we can put into effect when we do the (inaudible word). We would put into effect singling out the plug-ins.

The hearing on SB 2061 was closed.

SB 2061 was brought back after a break.

Chairman Ruby: We have an amendment changing it from hybrids to plug-in hybrids. There was talk about setting a lower fee for electric motor cycles or scooters. I think that would be appropriate.

Representative Kading moved the amendment 19.0516.02001.
Representative Owens seconded the motion.
A voice was taken. The motion carried.

Representative Owens moved amendment to include definition Electric motorcycle and a $25 fee for electric motorcycles.
Representative Grueneich seconded the motion,
A voice vote was taken. The motion carried.

Representative Nelson: You don't have to register a motorcycle or scooter in North Dakota if it is under 50 CCs. So, an electric motorcycle would not be registered under North Dakota law, because it doesn't have 50 CCs. They won't pay any tax or registration right now. Electric motors do not have any CCs. I don't think they have to be registered at all.

Representative Weisz: I don't think the definition actually says 50 CCs. We just exempt them from being licensed, if they are under 50 CCs. It is still defined as a motorcycle, under 39 whatever. We don't exempt them out.

Representative Nelson: Department of Transportation website states: What classifies as a motorcycle? Seat or saddle for use of rider, designed to travel on not more than three wheels, excludes implements of husbandry and with a minimum piston or motor displacement of 49.9 CC or greater enabling a speed greater than 30 mph. The electric Harley will not be a motorcycle under this Department of Transportation definition.

Discussion on definition of "motorcycle" by number of CCs.
1:31

Vice Chairman Rick C. Becker: I'm wondering if for today's discussion we should just exclude the motorcycles as we have done and not put on a fee. For now, we don't have these electric motorcycles. Maybe in a couple of years.

Vice Chairman Rick C. Becker: I move we amend to exclude the fee applied to motorcycles placed in the second amendment. Failed no second.

Chairman Ruby: If we do that, the Department of Transportation will consider them an electric vehicle, and they will get charged $110.

Chairman Ruby: We have some time. Let's talk to the Department of Transportation about this.

Break.

Intern speaking: Was inaudible.

Chairman Ruby to Lindi Michlitsch, Department of Transportation: We had a discussion about the registering electric motorcycles because some of the admin. code references CCs. Electric vehicles will not have any cubic centimeters. Will the Department of Transportation be prepared to have language that will allow them to be registered and licensed, an electric Harley Davidson, for example? Do we need to do something with this bill?

Lindi Michlitsch: Right now, we just register motorcycles as a motorcycles, even if it is electric.

Vice Chairman Rick C. Becker: There are things where you consider CCs. You don't need a class M license if you are driving 50 CCs or under, correct? We are wondering how you will adapt if you have vehicles with NO CCs designation.

Lindi Michlitsch: That may be a question for the Driver's License side. We just look at the vehicle type and use type.

Chairman Ruby: Glen Jackson, do you have a thought about that as far as a licensing requirement?

Glenn Jackson: I haven't had ***any*** conversation about electric motorcycles. I couldn't give you any answer at all. I'd have to go look at it.

2019 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2061
3/7/2019
#33372

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Jeanette Cook

Explanation or reason for introduction of bill/resolution:

A BILL relating to a road use fee for electric and hybrid vehicles; and to provide for a legislative management study.

Minutes: Attachments 1-2

Chairman Ruby brought SB 2061 back before the committee. This bill deals with electric vehicles. We raised questions about electric motorcycles.

An amendment was prepared with the Christmas tree version. See attachments # 1-2.

Representative Owens moved the amendments. (19.0516.02002)
Representative Westlind seconded the amendments.
A voice vote was taken. The motion carried.

Representative Weisz: The earlier bill we sent out from the house was a $120 fee, this one is at $110. Do we want to be consistent?

Representative Owens: The $120 was one cent per mile, that is how it was calculated for an average of 12,000 miles. I agree with being consistent out of this committee.

Vice Chairman Rick C. Becker: This would just replace the other bill completely, correct? Wouldn't it be better to just have one chamber kill one bill?

Representative Owens: You are correct, the other bill was just electric vehicles and deliberately left out hybrids because they do purchase some gas. This one is more conclusive.

Representative Weisz: Whichever bill was signed last will take precedent. If the house bill was signed last, it won't change the electric motorcycle or the plug-in part.

Chairman Ruby: He did indicate that they were hearing that one this week, and if this one passes, they would dispose of that one. That is a possibility, so we don't have two clashing bills. To be consistent with what we sent out, does the committee prefer $120 instead of $110?

Representative Weisz moved an amendment, Line 11, change $110 to $120.
Representative Owens seconded the amendment.
A voice vote was taken. The motion carried.

Representative Grueneich moved a DO PASS as amended on SB 2061.
Representative Paur seconded the motion.
A roll call vote was taken: Aye 10 Nay 2 Absent 2
The motion carried.
Representative Grueneich will carry SB 2061.

19.0516.02001
Title.

Prepared by the Legislative Council staff for
Representative Lefor
February 5, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2061

Page 1, line 7, after "**and**" insert "**plug-in**"

Page 1, line 13, after "A" insert "plug-in"

Page 1, line 19, replace "Hybrid" with "Plug-in hybrid"

Page 1, line 20, remove "employing a regenerative"

Page 1, remove line 21

Page 1, line 22, replace "providing propulsion energy" with "a receptacle to accept grid electricity"

Renumber accordingly

Prepared by the Legislative Council staff for
Representative D. Ruby
February 28, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2061

Page 1, line 7, after "**and**" insert "**plug-in**"

Page 1, line 13, after "A" insert "plug-in"

Page 1, line 13, after "each" insert "plug-in"

Page 1, after line 13, insert:

"c. An electric motorcycle road use fee of twenty dollars for each electric motorcycle registered."

Page 1, line 15, after "a." insert: ""Electric motorcycle" means a motor vehicle that has a seat or saddle for the use of the rider, is designed to travel on not more than three wheels in contact with the ground, and is propelled by an electric motor powered by a battery or other electric device incorporated into the vehicle and not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

b."

Page 1, line 19, replace "b. "Hybrid" with:

"c. "Plug-in hybrid"

Page 1, line 20, remove "employing a regenerative"

Page 1, remove line 21

Page 1, line 22, replace "providing propulsion energy" with "a receptacle to accept grid electricity"

Renumber accordingly

DA 3/12/19

19.0516.02003
Title.03000

Adopted by the House Transportation Committee

March 7, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2061

Page 1, line 7, after "**and**" insert "**plug-in**"

Page 1, line 11, replace "ten" with "twenty"

Page 1, line 13, after "A" insert "plug-in"

Page 1, line 13, after "each" insert "plug-in"

Page 1, after line 13, insert:

"c. An electric motorcycle road use fee of twenty dollars for each electric motorcycle registered."

Page 1, line 15, after "a." insert: ""Electric motorcycle" means a motor vehicle that has a seat or saddle for the use of the rider, is designed to travel on not more than three wheels in contact with the ground, and is propelled by an electric motor powered by a battery or other electric device incorporated into the vehicle and not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

b."

Page 1, line 19, replace "b. "Hybrid" with:

"c. "Plug-in hybrid"

Page 1, line 19, remove "both"

Page 1, line 20, replace the first "and" with an underscored comma

Page 1, line 20, after "device" insert an underscored comma

Page 1, line 20, remove "employing a regenerative"

Page 1, remove line 21

Page 1, line 22, replace "providing propulsion energy" with "a receptacle to accept grid electricity"

Renumber accordingly

Date: 2-28-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2061

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0516.02001 Attach. #1

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Kading Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY			REP LAURIEBETH HAGER		
VICE CHAIR BECKER			REP KARLA ROSE HANSON		
REP JIM GRUENEICH			REP MARVIN NELSON		
REP TERRY JONES					
REP TOM KADING					
REP EMILY O'BRIEN					
REP MARK OWENS					
REP BOB PAULSON					
REP GARY PAUR					
REP ROBIN WEISZ					
REP GREG WESTLIND					

Voice Vote Carried

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-28-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2061

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0516.02002

Recommendation: ☑ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Owens Seconded By Grueneich

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY			REP LAURIEBETH HAGER		
VICE CHAIR BECKER			REP KARLA ROSE HANSON		
REP JIM GRUENEICH			REP MARVIN NELSON		
REP TERRY JONES					
REP TOM KADING					
REP EMILY O'BRIEN					
REP MARK OWENS					
REP BOB PAULSON					
REP GARY PAUR					
REP ROBIN WEISZ					
REP GREG WESTLIND					

Voice Vote Carried

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Line 22 - Electric Motorcycle - define
- $25.00 fee for motorcycles

Date: 3-7-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2061

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0516.02002

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Owens Seconded By Westlind

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY			REP LAURIEBETH HAGER		
VICE CHAIR BECKER			REP KARLA ROSE HANSON		
REP JIM GRUENEICH			REP MARVIN NELSON		
REP TERRY JONES					
REP TOM KADING					
REP EMILY O'BRIEN					
REP MARK OWENS					
REP BOB PAULSON					
REP GARY PAUR					
REP ROBIN WEISZ					
REP GREG WESTLIND					

Voice Vote - Motion Carried

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3-7-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2061

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: Line 11 – #110 to #120

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Weisz Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY			REP LAURIEBETH HAGER		
VICE CHAIR BECKER			REP KARLA ROSE HANSON		
REP JIM GRUENEICH			REP MARVIN NELSON		
REP TERRY JONES					
REP TOM KADING					
REP EMILY O'BRIEN					
REP MARK OWENS					
REP BOB PAULSON					
REP GARY PAUR					
REP ROBIN WEISZ					
REP GREG WESTLIND					

Voice Vote - Carried

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Change #110 to #120

Date: 3-7-19
Roll Call Vote #: 3

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2061

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0516.02003

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Grueneich Seconded By Paur

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY	X		REP LAURIEBETH HAGER		X
VICE CHAIR BECKER		X	REP KARLA ROSE HANSON	X	
REP JIM GRUENEICH	X		REP MARVIN NELSON	A	
REP TERRY JONES	X				
REP TOM KADING	X				
REP EMILY O'BRIEN	A				
REP MARK OWENS	X				
REP BOB PAULSON	X				
REP GARY PAUR	X				
REP ROBIN WEISZ	X				
REP GREG WESTLIND	X				

Total (Yes) 10 No 2

Absent 2

Floor Assignment Grueneich

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2061, as engrossed: Transportation Committee (Rep. D. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2061 was placed on the Sixth order on the calendar.

Page 1, line 7, after "**and**" insert "**plug-in**"

Page 1, line 11, replace "ten" with "twenty"

Page 1, line 13, after "A" insert "plug-in"

Page 1, line 13, after "each" insert "plug-in"

Page 1, after line 13, insert:

"c. An electric motorcycle road use fee of twenty dollars for each electric motorcycle registered."

Page 1, line 15, after "a." insert: ""Electric motorcycle" means a motor vehicle that has a seat or saddle for the use of the rider, is designed to travel on not more than three wheels in contact with the ground, and is propelled by an electric motor powered by a battery or other electric device incorporated into the vehicle and not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

b."

Page 1, line 19, replace "b. "Hybrid" with:

"c. "Plug-in hybrid"

Page 1, line 19, remove "both"

Page 1, line 20, replace the first "and" with an underscored comma

Page 1, line 20, after "device" insert an underscored comma

Page 1, line 20, remove "employing a regenerative"

Page 1, remove line 21

Page 1, line 22, replace "providing propulsion energy" with "a receptacle to accept grid electricity"

Renumber accordingly

2019 TESTIMONY

SB 2061

 #1
1/4/19
SB2061

Electric Vehicle Road Use Fee - Calculation

Thompson, Emily L.

Fri 11/30/2018 4:51 PM

To:Kreun, Curt E. <ckreun@nd.gov>;

1 attachment

19.0516.01000.pdf;

Hi Senator Kreun,

In regard to the attached bill draft, the following provides the manner in which the road use fee for electric and hybrid vehicles was calculated.

- A representative from the Department of Transportation noted the average vehicle in North Dakota has a fuel economy of 25 miles per gallon and travels 15,000 miles per year, which results in an average vehicle using 600 gallons of gas per year. Multiplying the state gas tax of $0.23 (*plus the federal excise tax of $0.184*) by 600 gallons equals $248.40 in gas tax.
    - Thus, the yearly fee for electric vehicles was set at $248.

- For hybrid vehicles, the U.S. Department of Energy, Office of Energy Efficiency & Renewable Energy, is the official U.S. government source for fuel economy information. The combined city/highway fuel economy for the 92 hybrids listed on the U.S. Department of Energy's website ranged from 18 miles per gallon to 58 miles per gallon. Of the 92 hybrids listed, the average fuel economy was 35 miles per gallon. Dividing the average 15,000 miles traveled per vehicle in North Dakota by a fuel economy of 35 miles per gallon results in the average hybrid using 429 gallons of gas per year. Multiplying the state gas tax of $0.23 (*plus the federal excise tax of $0.184*) by 429 gallons equals $177.60 in gas tax. Subtracting the $177.61 in gas tax paid by the average hybrid driver from the $248.40 in gas tax paid by the average driver of a traditional vehicle leaves a gap of $70.79.
    - Thus, the yearly fee for hybrid vehicles was set at $71.

Please feel free to contact me if you would like any additional information.

Best regards,

Emily Thompson
Code Revisor
North Dakota Legislative Council
600 East Boulevard Ave
Bismarck, ND 58505
emilythompson@nd.gov
701.328.2916

SB2061 #2
1/4/19
Pg 1

January 4, 2019

Senate Political Subdivisions
SB 2061

CHAIRMAN RUST AND MEMBERS OF THE COMMITTEE:

For the record, I am Blake Crosby, Executive Director of the North Dakota League of Cities representing the 357 incorporated cities across the State.

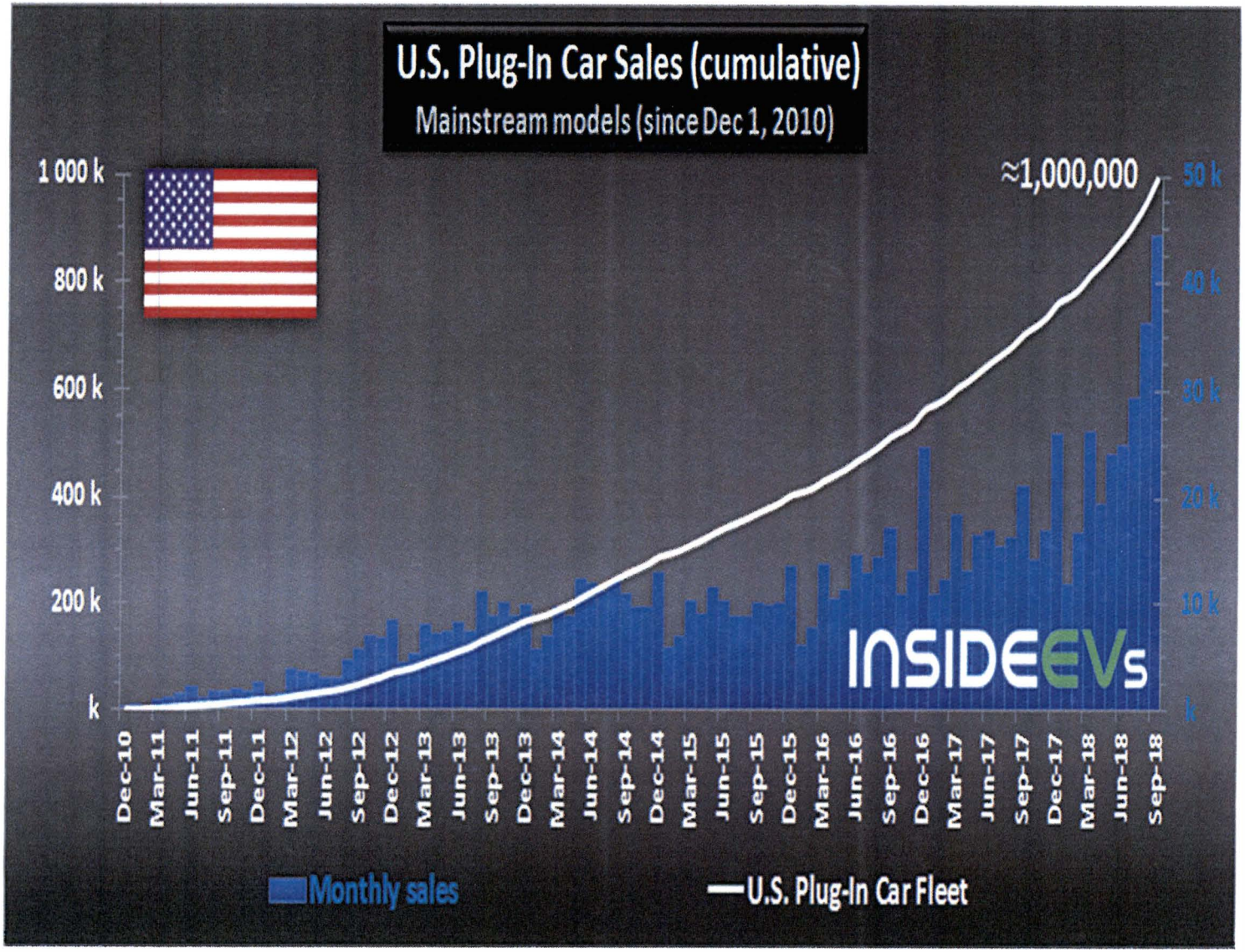
I am testifying in favor of SB 2061 as offered by Senator Kruen. Currently, as we all are aware, gas taxes help pay for roadway repair, maintenance (like snow plowing), safety design, and law enforcement. Whether your vehicle uses gas, diesel, electricity or a combination, because you have an electric or hybrid vehicle does not mean those costs somehow magically decrease. Those of us who use the roads have a responsibility to pay for that use.

Electric cars or hybrids are here to stay…the internal combustion engine is going to significantly diminish in production sooner than we might imagine. However, the roadways are not going away. Looking at the white line on the attached graph representing car fleet numbers and the blue bars representing monthly sales, we are looking at the future and we need to adjust. A GOOGLE™ search of 2018 year-end numbers showed total sales to be more than 1.4 million for plug-in cars.

SB 2061 is the right thing to do and I urge a do-pass.

Thank you for your time and consideration. I will try to answer any questions.

SB2061 #2
1/4/19
Pg 2



1/4/19 #3
SB2061

SB2061 DEFINITIONS

ICE – Internal combustion engine, most common vehicles today

EV – Electric vehicle, only source of energy is from a rechargeable battery

PHEV – Plug-in hybrid electric vehicle, runs on both a small battery (typically getting about 10 miles of pure electric range per charge) and gasoline

Hybrid – a vehicle completely dependent on gasoline, with a small battery to recoup some energy to make the overall fuel efficiency better

CONTACT INFO

Destiny Wolf

Dickinson, North Dakota

Mobile: 701-989-0793

E-mail: destinywolfrnbn@gmail.com

SB 2061 #4
1/4/19
Pg 1

Keith A. Needham
273 W. Ramsey Street
Pembina, ND 58271
701 520-7466

The Honorable Chairperson and the
Senate Transportation Committee
North Dakota State Capitol
Bismarck, ND 58501

Greetings,

I am writing to express serious disagreement with SB 2061, regarding the addition of a tax on hybrid and electric cars, which is currently being debated for inclusion in the Century Code. I believe that this bill would impose an unfair tax penalty upon owners of both Hybrid and Full Electric vehicles licensed in the State of North Dakota.

I currently own a 2017 Chrysler Pacifica Hybrid. This is my first hybrid vehicle. According to the manufacturer's specifications, my vehicle averages 33 mpg in the city and 34 on the highway. This is not particularly outstanding in this day and age; and there are many vehicles which get far better mileage than I do. Yet, this makes no difference; as under this bill, I will be taxed anyway, simply because my car is a hybrid. This seems unfair to me, and is, in and of itself, discriminatory. If the Transportation Committee is concerned about fuel tax revenue, it should target all high fuel mileage vehicles, regardless of whether or not they are electric or hybrid.

You might argue that I do pay less in taxes compared to those driving a non-hybrid version of the Chrysler Pacifica. This is true. Yet, even here, the tax proposed is exorbitant and excessive. To illustrate this, I refer you to the table contained on page three.

According to my research, the average North Dakota licensed driver drives 15,725 miles per year.[1] Living in a small town, as I do, most of my miles are highway miles; probably 95% of them. However, I have calculated these miles based upon 75% highway and 25% city -- which I am guessing might be average, at least for the rural North Dakotan.

Given my Pacifica Hybrid, I will pay taxes on 452 gallons of gasoline a year. Now, the non-hybrid version of the Pacifica is rated at 19 mpg in the city and 28 on the highway. Given these parameters, the non-hybrid Pacifica owner will pay taxes on 610 gallons of gasoline a year. After calculating the tax, I will experience a $36.00/year tax savings; yet this bill proposes a tax addition of $71.00/year. This amounts to a $35.00 tax penalty -- an unfair and unjust tax penalty, if I might say so; and this, only because I own a hybrid.

But this is not the whole of it, for I will only save $36.00/year if I get better fuel economy 12 months a year. But that is not the case! I live in Pembina, where we are below freezing -- often below zero! -- 5-6 months of the year. With the cold, these savings are yet cut in half, as the battery efficiency is severely reduced in cold weather. For instance, I recently drove to Fargo

[1] According to https://www.mycarinsurance123.com/average-miles-driven-per-year/.

against the wind and averaged only 21 mpg. I had no fuel savings in this case, and hence, no savings in taxes. That being so, this increases my penalty further.

And it gets worse as the vehicle becomes more efficient. On the chart, I have also compared a 2019 Diesel Cruze to a Toyota Prius. You will see that a Prius owner's penalty under this proposal is nearly $50.00/year! Meanwhile, the Cruze's owner will pay fewer taxes than I do, even with my tax savings! Given these inequalities, it appears that this proposal is not well thought through, that it needs some reworking, so that it is fair for everyone, hybrid, electric, and gasoline/diesel vehicle owners inclusive.

I recognize the necessity of taxes to help pay for road maintenance. In some ways, I can understand imposing a tax on pure electric vehicles. Yet, those vehicles have their own benefits, such as reducing air pollution, and a reduced carbon footprint. Because of those benefits, I am convinced that their use should be encouraged rather than penalized.

I purchased my hybrid for two reasons: one was for the savings, the other was for the environment, and making less of a carbon footprint. This bill reduces the savings I will see. This bill also also imposes a penalty upon those concerned about the environment; and it will serve as a deterrent in the future to any and all who would seek to take the route of electric.

I know that North Dakota is a pro-oil State, and that is just fine with me. I am pro-oil myself. However, to intentionally penalize -- and I have demonstrated that this tax would be a penalty! -- those who choose to go electric is illegal. It is discriminating against those who desire a change; not to mention those who desire some savings.

In closing, I think the state is foolish at this point in time to tax electric and hybrid vehicles. These vehicles owners are not getting by for free. They still have to pay their electric bills; and I am quite certain that there are state revenues coming from taxes on electricity also. If the State is running short of highway funds, then perhaps it is time to raise the fuel tax rate on all vehicles, or to find some other revenue streams to make up the difference, while encouraging each person to minimize their tax bill as they are legally entitled.

These are my thoughts and my protest. Therefore I am asking for a "Do Not Pass." Thank you for hearing me out. If you have any questions free to contact me at 701 520-7466. You can reach me also by email at klneedham2@polarcomm.com.

Sincerely,

Keith A. Needham
District 10

SB 2061 #4
1/4/19 pg 3

Vehicles	Hwy Miles	Hwy MPG	Hwy Gallons	City Miles	City MPG	City Gallons	Total Gallons	Taxes Paid
2017 Chrysler Pacifica	11,456.25	28.00	409.15	3,818.75	19.00	200.99	610.14	$140.33
2017 Chrysler Pacifica Hybrid	11,456.25	34.00	336.95	3,818.25	33.00	115.70	452.65	$104.11
Difference								**$36.22**
2019 Diesel Cruze	11,456.25	48.00	238.67	3,818.75	31.00	123.19	361.86	$83.23
2019 Toyota Prius	11,456.25	58.00	197.52	3,818.75	53.00	72.05	269.57	$62.00
Difference								**$21.23**

1/4/19 #5
SB 2061

Testimony from Steve Andrist and Barbara Andrist
100 Cherokee Ave., Bismarck, ND 58501
To the Senate Transportation Committee
In Opposition to of SB 2061

Chairman Rust and members of the committee: We bought our first hybrid vehicle in 2006 because we felt called to be good stewards of our God-given resources. We felt the extra cost of the vehicle was a small price to pay for doing our part, however small, to help conserve our natural resources, especially when that price could be offset at least partly by buying less fuel.

Now Senate Bill 2061 seeks to penalize us by imposing a new tax on our stewardship. We believe that's a wrong-headed approach. In fact, we believe it is more appropriate public policy to encourage citizens to practice conservation and good stewardship.

We recognize the state's need to find new revenue to maintain its highway infrastructure, but this proposed new tax raises very little money for that purpose. Worse, it in effect establishes a new tax based on a vehicle's fuel economy, but it is applied only to certain types of vehicles. For example, our second hybrid vehicle gets about 25 mpg, and under SB 2061 it would be subject to the new tax. A gas-powered vehicle that gets 25 mpg, or 26 or 28, would not be subject to the tax.

Taken to the extreme, this type of new tax would be equitable only if applied evenly to all vehicles based on their fuel economy. Besides, we know that our small, light-weight Toyota Prius doesn't do near the damage to our roads as a big pickup or an oil tanker.

A small, barely-noticeable increase in the general gasoline tax would do far more for raising revenue for our roads while maintaining a degree of equity among payers, and we respectfully request a "do not pass" vote on SB 2061.

17 states have adopted annual registration fees for EV and Hybrid cars, with 9 other states considering the idea. These fees unfairly punish drivers, while barely making a dent in budget shortfalls and deficits. It's up to the states to care for and maintain all roads, highways, and bridges, but why punish those of us who drive electric cars? States are charging anywhere from $50 for hybrids, to over $200 for all-electric vehicles. this would charge an unfair and punitive fee on electric car drivers. meanwhile, drivers of gas cars go unpunished for polluting the environment, and contributing to climate change. it's incredibly disingenuous that you are seeking fairness by charging road-use fees, when you aren't seeking fairness for the costs of pollution and climate change. i'd like to point out, that these taxes don't even come close to shoring up budget shortfalls that you as Legislators are claiming they would fix. For example: in 2017, the Oklahoma Supreme Court struck down the state's EV fees, ruling them unconstitutional and unjustified. had HB1449 passed, this fee would've brought in only $1 million dollars annually, which is only 1% of their budget deficit. Electric vehicle sales are taking off across the auto markets. the Koch Brothers spent close to $10 million dollars, trying to kill the growth of electric vehicles. we need to embrace, incentivize, and accelerate the switch to cleaner cars. incentives DO work, as evidenced recently in the state of NY. Governor Cuomo announced that EV sales increased 60% in 2017 over 2016's sales, and this was after a rebate of $2,000 dollars was launched in 2017. so, if our state legislators don't wish to make EV's a priority, as well as fiscally sound and fair laws, clean air, as well as finding other ways to make up budget shortfalls, then it's time to call for a ban on sales of gas powered cars.

Brad Magnuson
Minot, ND

SB 2061 #2
1/10/19 P91

GlobalAutomakers

January 9, 2019

The Honorable David Rust
Chair, Senate Transportation Committee
State Capitol
600 East Boulevard
Bismarck, North Dakota 58505-0360

RE: SB 2061 - RELATING TO A ROAD USE FEE FOR ELECTRIC AND HYBRID VEHICLES - OPPOSE

Dear Senator Rust:

Global Automakers, www.globalautomakers.org, is writing to inform you of our opposition to Senate Bill 2061, which would impose additional registration fees on electric vehicles and hybrid-electric vehicles.

Global Automakers represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our goal in North Dakota (and elsewhere) is to foster an open and competitive automotive marketplace and to create public policy that improves motor vehicle safety, encourages technological innovation and protects our planet.

Our member companies have invested billions in the development of a wide variety of electric-drive vehicles—battery-electric, plug-in hybrid-electric, and hydrogen fuel cell electric vehicles—in addition to traditional hybrids. We now offer over 40 different electric-drive vehicles in a variety of makes, models and price ranges. However, consumer adoption of these vehicles is still in its infancy with 1.8% of all new vehicles sold nationally being electric vehicles. In 2018, electric vehicle sales in North Dakota were only 0.2% of all new vehicles sold.

Electric Drive Vehicles Should Be Supported

Global Automakers' members support the long-term goal of reducing greenhouse gas emissions and are pushing innovative ways to protect the environment and lessen the nation's reliance on fossil fuels. Increasing consumer adoption of electric-drive vehicles should also be a priority of your state, because of their positive economic and environmental impact on the state. When additional taxes are levied on vehicles, it hinders innovation, sales and manufacturing.

Raising registration fees or additional taxes on hybrid and electric vehicles creates a chilling effect on consumer purchase. Given that the market for these vehicles is still developing—and in North Dakota it is far behind the rest of the nation—now is not the time to impose new barriers to their purchase. It is through investments in infrastructure, incentivization and consumer education that we see increased sales and production of electric vehicles.

GlobalAutomakers

APTIV • Aston Martin • Bosch • Bytton • Denso • Ferrari • Honda
Hyundai • Isuzu • Kia • Local Motors • Maserati • McLaren
Nissan • NXP • PSA • Sirius XM • Subaru • Suzuki • Toyota

New Revenue Will Be Minimal

North Dakota still has a long way to go for it to reach the national average in electric vehicle sales. Since 2011, fewer than 200 electric vehicles have been sold in North Dakota. Although we understand the state's need to increase funding, the funds raised by the imposition of this new tax will be minimal in meeting that end. Moreover, hybrid vehicles already support the state's funding, because they are fueled by gasoline, which is subject to gas taxes; these vehicles should not be subject to additional fees when they are already paying their fair share.

Please let us know if you have any questions.

Sincerely,

Josh Fisher

Josh Fisher
Senior Manager, State Government Affairs

SB 2061
1/10/19
#3
pg 1

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January 10, 2019

Hon. David Rust, Chair
Senate Transportation Committee
State Capitol
Bismarck, ND 58505

Re: House Bill 2061 – Oppose Annual Fees for Hybrid and Electric Vehicles

Dear Chair Rust and Members of the Committee,

On behalf of the Alliance of Automobile Manufacturers, thank you for the opportunity to express our concerns with House Bill 2061. The Alliance is a trade association representing twelve of the world's leading car and light truck manufacturers, including BMW Group, FCA US LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of America, and Volvo Car USA. Together, Alliance members account for roughly 70% of the cars and light duty trucks sold throughout the United States each year.

North Dakota is not the only state to realize that our nation's infrastructure is crumbling before us. In fact, it is a problem in most states across the United States. The Alliance applauds your past efforts in taking on the large task of revising the funding mechanisms for transportation infrastructure in the State of North Dakota.

However, House Bill 2061 imposes a new fee of $248 to be paid at the time of registration for electric vehicles annually. While this $248 fee may be considered by some as an equitable fee, the imposition of a new fee is punitive on consumers. In fact, it would be the highest electric vehicle tax in the United States. Consumer choice is key factor in driving competitiveness in the marketplace. It does not make sense to disproportionately punish North Dakotans who purchase one vehicle or another. These fees will only stifle North Dakota's already low electrified vehicle penetration, which averages significantly less than the majority of the country - ranking 49th.

In addition, the proposed new $75 fee that owners of hybrid vehicles would also be charged annually is problematic. It is important to note that hybrid vehicle owners also pay the gas tax. While other alternative fuel vehicles would be taxed at the same rate as traditionally fueled vehicles, hybrid owners would be placed under an undue burden.

Currently, the alternative fuel vehicle market in North Dakota is not large enough to help make this proposed road funding mechanism viable. According to the North Dakota Department of Transportation, it costs the state $2.4 million per mile built for a four-lane (two lanes in each direction) interstate road. Based on 2017 vehicle registration data and the proposed fee structure, the approximately 124 battery-electric vehicles would raise $30,752 in tax revenue

and the 3,749 hybrid vehicles would raise $281,175. Combined, the $311,927 in tax revenue would fund roughly 13% of a mile for a four-lane state highway, or 686 feet.

Furthermore, the Alliance does not agree with the basis for which the proposed fee structure was created. Both figures suggest that the average North Dakota miles traveled per vehicle is 15,000 miles. However, current Federal Highway Administration statistics show that vehicles in North Dakota travelled approximately 10,400 miles – 45th most out of 50 states. Notably, this also does not account for the decrease in battery output from electrified vehicles due to cold weather. Some Department of Energy reports have revealed that this decrease in output can range from 20 – 40 percent. It is no secret that temperatures in North Dakota can be frigid at times. The months spanning November through April regularly bring subzero temperatures with half of them averaging below-freezing highs and single-digit lows. This suggests that hybrids could actually be paying more gas tax than the sponsor has calculated. It also suggests battery electric vehicles are likely making less long trips due to range capabilities attributed to colder weather and the lack of a built-out charging network in the state.

The Alliance believes that HB 2061 in its current form puts an unnecessary burden on consumers and penalizes those adopting a technology that is still in the early stages of maturation. We respectfully ask that the bill receive a "do not pass" recommendation from this committee. We would be happy to discuss each in further detail as the committee considers this legislation.

Thank you for your time and consideration.

Sincerely,

Leighton Yates
Senior Manager, State Affairs

SB 2061 #4
1/10/19 p1

January 10, 2019

Testimony on Senator Curt Kreun's Senate Bill 2061

1-Proposed tax on electric vehicles for an annual "road use fee"of $248.

and

2-Proposed tax on hybrid vehicles of $71. Per year.

My name is Clair Cudworth, 1307 N. 15th St., Bismarck, ND 58501

I am retired and a longtime resident of North Dakota.

I oppose this type of legislation:

BECAUSE

1-I am not only saving money on fuel and conserving our natural resources; but also I am not contributing as much emissions into our atmosphere as pure gas drive vehicles .

2-I also think such legislation will negatively affect advancing the technology and use of these more efficient vehicles.

3-This tax will negatively affect the sales of these type of vehicles and thus those dealers and manufactures of such innovating technology.

4-Would the tax apply to out-of-state or out-of-country vehicles? NO

5-Would the tax apply to my vehicle even if I left it in my garage all the time? YES

I suggest those in need of tax monies for the roads find a different method.

SB 2061 #5
1/10/19 p9 1

SENATE TRANSPORTATION COMMITTEE
Date: January 10, 2019 at 9:30 a.m.

North Dakota Department of Transportation
Linda Sitz, Strategic Innovation Manager

Senate Bill 2061

Good morning, Mr. Chairman and members of the committee. I'm Linda Sitz, the Strategic Innovation Manager at the North Dakota Department of Transportation. Thank you for giving me the opportunity to discuss this proposed bill and answer any questions.

Senate Bill 2061 proposes to establish road use fees for Electric Vehicles (EV) and Hybrid vehicles. The Committee has requested that NDDOT supply information on EV and hybrid numbers, registration fees, average mileage traveled, clarification on state/federal tax and possibility of a flat fee structure versus average per mile fee.

Currently there are 141 EV and 3,849 hybrid vehicles registered in the state. The registration fee for an EV or a Hybrid vehicle is currently the same as gas/diesel vehicles and EVs/Hybrids are documented the same as all vehicles in the Motor Vehicle computer system. An average registration fee for all types of registration, which include passenger and pickups, is $125 annually.

The NDDOT has calculated the average mileage traveled per vehicle for an Internal Combustion Engine (ICE) is about 12,000 miles per year. It's believed that is true for a Hybrid vehicle but not for an EV at this time. The reasoning would be that the infrastructure, such as charging stations, is not in place currently for an EV to travel across the state.

Some clarification on state/federal tax for ICE vehicles – for every gallon of fuel used in a passenger vehicle in North Dakota 23 cents is collected for state tax and 18.4 cents is collected for federal tax. This proposal would somewhat replace this tax on the State level with EV, however it doesn't replace the federal tax. For further clarification on this there is someone here from the Tax Department to address this.

If a flat fee were to be established, an annual average fee in-line reported from other states would be $110 for EV and a fee of $40 for Hybrid vehicles. Please see attached document showing other state fee information.

Thank you, Mr. Chairman, I would be happy to answer any questions.

States Imposing Surcharges on Electric and Hybrid Vehicles

(Annual unless otherwise noted)

Electric and Hybrid Vehicle Surcharges	Electric Vehicles	Hybrid Vehicles	
California	$ 100.00	$ -	A
Colorado	50.00	50.00	
Georgia	200.00	0.00	
Idaho	140.00	75.00	
Indiana	150.00	50.00	
Michigan	135.00	47.50	
Minnesota	75.00	0.00	
Mississippi	150.00	75.00	
Missouri	75.00	37.50	
Nebraska	75.00	0.00	
North Carolina	100.00	0.00	
Oklahoma	100.00	30.00	
Oregon	110.00	0.00	
South Carolina	60.00	30.00	B
Tennessee	100.00	0.00	
Utah	60.00	10.00	C
Virginia	64.00	64.00	
Washington	150.00	150.00	
West Virginia	200.00	100.00	
Wisconsin	100.00	75.00	
Average	$109.70	$39.70	

(A) Effective January 1, 2021, the California fee is indexed to the consumer price index

(B) South Carolina imposes fees biennially. The fees as shown have been annualized.

(C) The Utah fees are scheduled to increase each year through 2021. After that, they are indexed to the consumer price index.

Note: Oklahoma passed legislation imposing annual fees of $100 and $30 for electric and hybrid vehicles respectively. The Oklahoma Supreme Court subsequently struck down the legislation on several technicalities.

Note: Wyoming imposes a one time fee of $50 on electric and hybrid vehicles

Source: National Conference of State Legislatures

SB2061 #6
1/10/19 Pg1

NDLA, S TRN - Stenehjem, Elizabeth

From: Rust, David S.
Sent: Friday, January 11, 2019 9:49 AM
To: NDLA, S TRN - Stenehjem, Elizabeth; NDLA, Intern 06 - Munson, Josey
Subject: Fwd: SB2061

FYI.

David S. Rust
Senator, District 2
PO Box 1198
Tioga, ND 58852
701-664-3508 (H)
701-216-0270 (C)

Begin forwarded message:

From: "Sitz, Linda D." <ldsitz@nd.gov>
Date: January 10, 2019 at 1:02:51 PM CST
To: "Rust, David S." <drust@nd.gov>
Subject: SB2061

Senator Rust,

Follow-up to the question asked about motor vehicle fees. The motor vehicle fees were last increased in 2005.

Below is average registration fees for ND and surrounding states.

Registration fees by state:	ND Ave Fee	SD Ave Fee	MT Ave Fee	ID Ave Fee	WI Ave Fee
Registration Fee - Passenger	76.76	76.50	120.67	57.00	94.73
Registration Fee - Pickup	106.13	112.20	120.67	57.00	108.06

Please let me know if you need additional information.

Kind Regards,
Linda

Linda
Strategic Innovation Manager
North Dakota Dept. of Transportation
608 East Boulevard Avenue
Bismarck, ND 58505-0700
Office (701) 328-4986
Fax: (701) 328-1420
Email: ldsitz@nd.gov

VISION ZERO
Zero fatalities. Zero excuses.

Life Is Not Measured By The Number Of Breaths We Take, BUT By The Moments That Take Our Breath Away.

SB 2061 #1
1/17/19 p91

19.0516.01001
Title.

Prepared by the Legislative Council staff for
Senator Rust
January 17, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 2, after "vehicles" insert "; and to provide for a legislative management study"

Page 1, after line 24, insert:

"**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK.** During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure which will support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

SB 2061 #1
1/18/19 pg1

19.0516.01002
Title.

Prepared by the Legislative Council staff for
Senator Dwyer
January 17, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 10, replace "two hundred forty-eight" with "one hundred ten"

Page 1, line 12, replace "seventy-one" with "fifty"

Renumber accordingly

SB 2061 #1
1/24/19 pg1

19.0516.01002
Title.

Prepared by the Legislative Council staff for
Senator Dwyer
January 17, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 10, replace "two hundred forty-eight" with "one hundred ten"

Page 1, line 12, replace "seventy-one" with "fifty"

Renumber accordingly

SB2061 #2
1/24/19 p51

19.0516.01001
Title.

Prepared by the Legislative Council staff for
Senator Rust

January 17, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2061

Page 1, line 2, after "vehicles" insert "; and to provide for a legislative management study"

Page 1, after line 24, insert:

"**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK.** During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure which will support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

SB 2061
2-28-19
#1
p.1

Electric Vehicle Road Use Fee - Calculation

Thompson, Emily L.

Fri 11/30/2018 4:51 PM

To:Kreun, Curt E. <ckreun@nd.gov>;

1 attachment

19.0516.01000.pdf;

Hi Senator Kreun,

In regard to the attached bill draft, the following provides the manner in which the road use fee for electric and hybrid vehicles was calculated.

- A representative from the Department of Transportation noted the average vehicle in North Dakota has a fuel economy of 25 miles per gallon and travels 15,000 miles per year, which results in an average vehicle using 600 gallons of gas per year. Multiplying the state gas tax of $0.23 (*plus the federal excise tax of $0.184*) by 600 gallons equals $248.40 in gas tax.
    - Thus, the yearly fee for electric vehicles was set at $248.

- For hybrid vehicles, the U.S. Department of Energy, Office of Energy Efficiency & Renewable Energy, is the official U.S. government source for fuel economy information. The combined city/highway fuel economy for the 92 hybrids listed on the U.S. Department of Energy's website ranged from 18 miles per gallon to 58 miles per gallon. Of the 92 hybrids listed, the average fuel economy was 35 miles per gallon. Dividing the average 15,000 miles traveled per vehicle in North Dakota by a fuel economy of 35 miles per gallon results in the average hybrid using 429 gallons of gas per year. Multiplying the state gas tax of $0.23 (*plus the federal excise tax of $0.184*) by 429 gallons equals $177.60 in gas tax. Subtracting the $177.61 in gas tax paid by the average hybrid driver from the $248.40 in gas tax paid by the average driver of a traditional vehicle leaves a gap of $70.79.
    - Thus, the yearly fee for hybrid vehicles was set at $71.

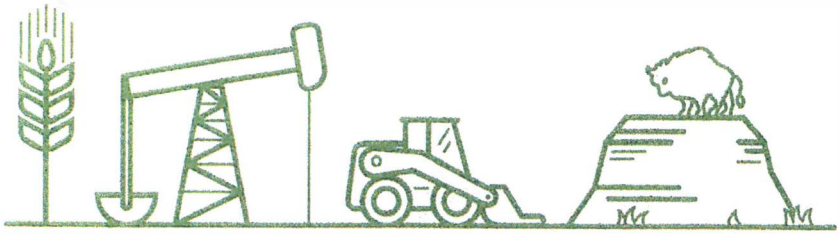
Please feel free to contact me if you would like any additional information.

Best regards,

Emily Thompson
Code Revisor
North Dakota Legislative Council
600 East Boulevard Ave
Bismarck, ND 58505
emilythompson@nd.gov
701.328.2916

SB 2061
2-28-19
#1
p. 2

North Dakota Transportation Facts



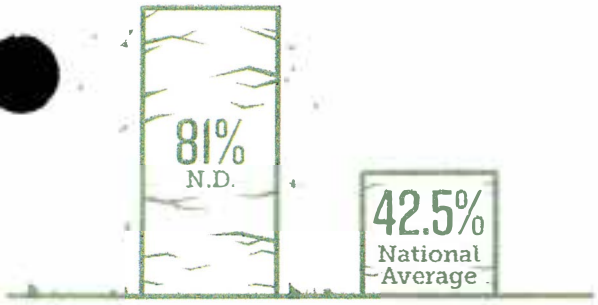
Transportation is important to maintaining North Dakota's strong economy and quality of life. Annually, $106 billion in goods are shipped to and from North Dakota. This is vital to North Dakota's top industries of agriculture, energy, manufacturing and tourism.

Source: North Dakota TRIP Report

North Dakota needs $24.6 billion over the next 20 years to maintain current roads and bridges, but there is only $10 billion in revenue projected. That's a $14.6 billion funding gap.

Source: Upper Great Plains Transportation Institute

Transportation Budget Dependent on Federal Funds



North Dakota's transportation construction budget is 81 percent federally funded, compared to the national average of 42.5 percent. This is a problem because only 17 percent of North Dakota's 107,000 miles of roadways are eligible for federal funds, and the Federal Highway Trust Fund is going broke.

Source: ND DOT

North Dakota's motor fuel tax of 23 cents per gallon has lost impact since 2005, due to inflation and increased fuel efficiency.

- To make up for inflation, North Dakota's 23-cent motor fuel tax would need to be 30 cents today. However, construction costs in North Dakota during that same period of time have increased even faster than inflation, at 117 percent. For example, asphalt surfacing cost approximately $500,000 per mile in 2005 and cost $1.1 million per mile in 2017.
- The owner of a 2005 Ford F-150 getting 14 mpg driving 12,000 miles in a year would pay $197.14 in state gas taxes, while an owner of a 2018 Ford F-150 getting 21 mpg driving the same number of miles would pay $131.43.

Sources: BLS Consumer Price Index Inflation Calculator; ND DOT; www.fueleconomy.gov

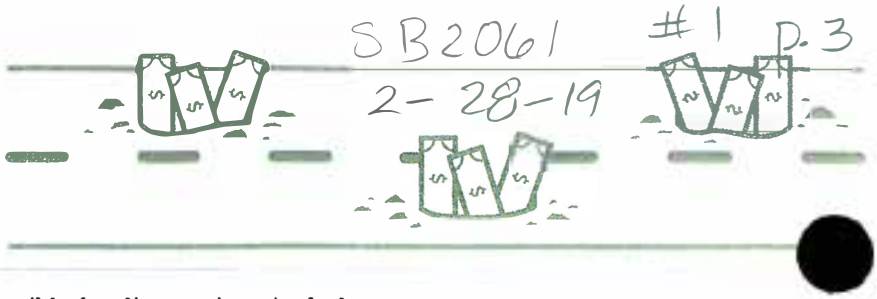
Recent one-time transportation funding has helped address immediate needs and is very much appreciated. Going forward, long-term predictable funding is needed to generate efficiencies. Each dollar of deferred maintenance on roads and bridges costs an additional $4-$5 in needed future repairs. The Right Fix at the Right Time with the Right Asset will lead to lower life-cycle costs. Most transportation projects require a 4 to 6-year lead time.

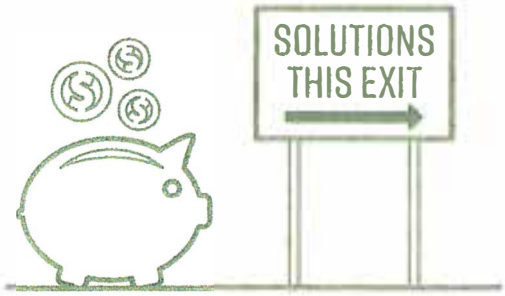
Source: North Dakota TRIP Report

SB2061 #1 p.3
2-28-19

Bad roads cost North Dakota motorists an estimated $250 million annually, or $449 per driver.

Source: North Dakota TRIP Report



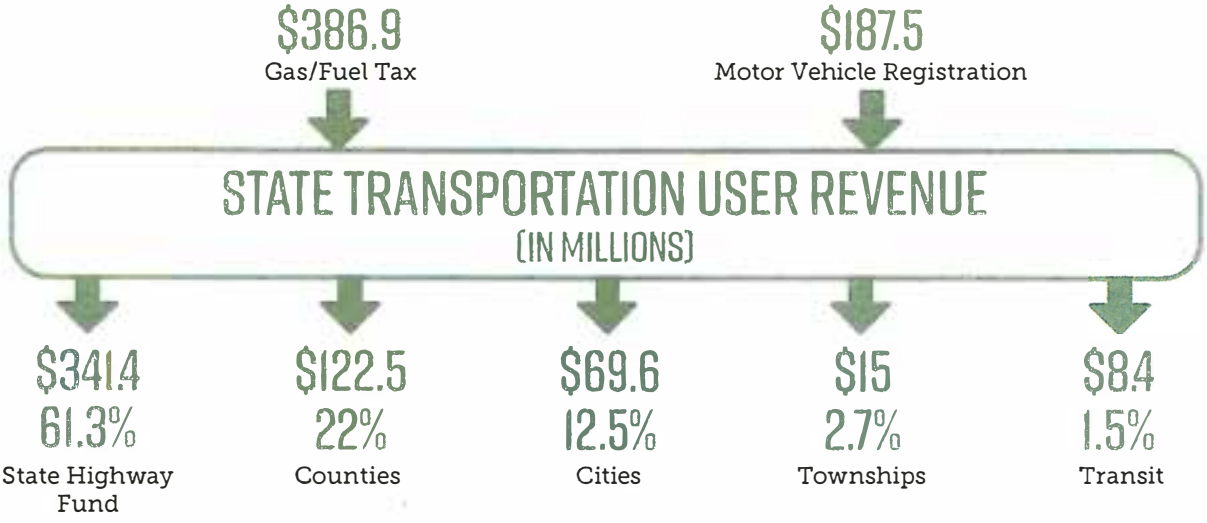


Possible funding options include:

- Dedicating oil revenues, such as proposed in HB 1066, could provide $280 million per biennium in funding directly to local entities for infrastructure, including transportation infrastructure.
- The motor vehicle excise tax provides $105 million in annual revenue that currently goes to the general fund and does not fund transportation.
- 1 cent per gallon motor fuel tax generates $7.4 million in annual revenue.
- If driver's license fees were raised to cover the cost of administering driver's license operations, this would free up $2.45 million in the State Highway Fund.
- $1 in registration fees generates $1 million in annual revenue.

Source: North Dakota Symposium on Transportation Funding

State Transportation Revenues go into Highway Tax Distribution Fund



Approximately $17.5 million in deductions before distributions. *Source: 2019-2021 Biennium Executive State Budget*

Transportation Coalition

ACEC of North Dakota
The Associated General Contractors North Dakota
DTA Dakota Transit Association
North Dakota Farmers Union
GNDC Greater North Dakota Chamber
MDU Resources Group, Inc.
NDACo
North Dakota Corn Growers Association
ndfb
North Dakota League of Cities
NDMCA
North Dakota Petroleum Council
NDPMA
North Dakota Soybean Council Our World Is Growing
NDTOA
North Dakota Wheat Commission Building Bigger Better Markets
Western Dakota Energy Association

SB2061
2-28-19
#2
P. 1

February 28, 2019

House Transportation
SB 2061
Rep. Dan Ruby, Chairman

CHAIRMAN RUBY AND MEMBERS OF THE COMMITTEE:

For the record, I am Blake Crosby, Executive Director of the North Dakota League of Cities representing the 357 incorporated cities across the State.

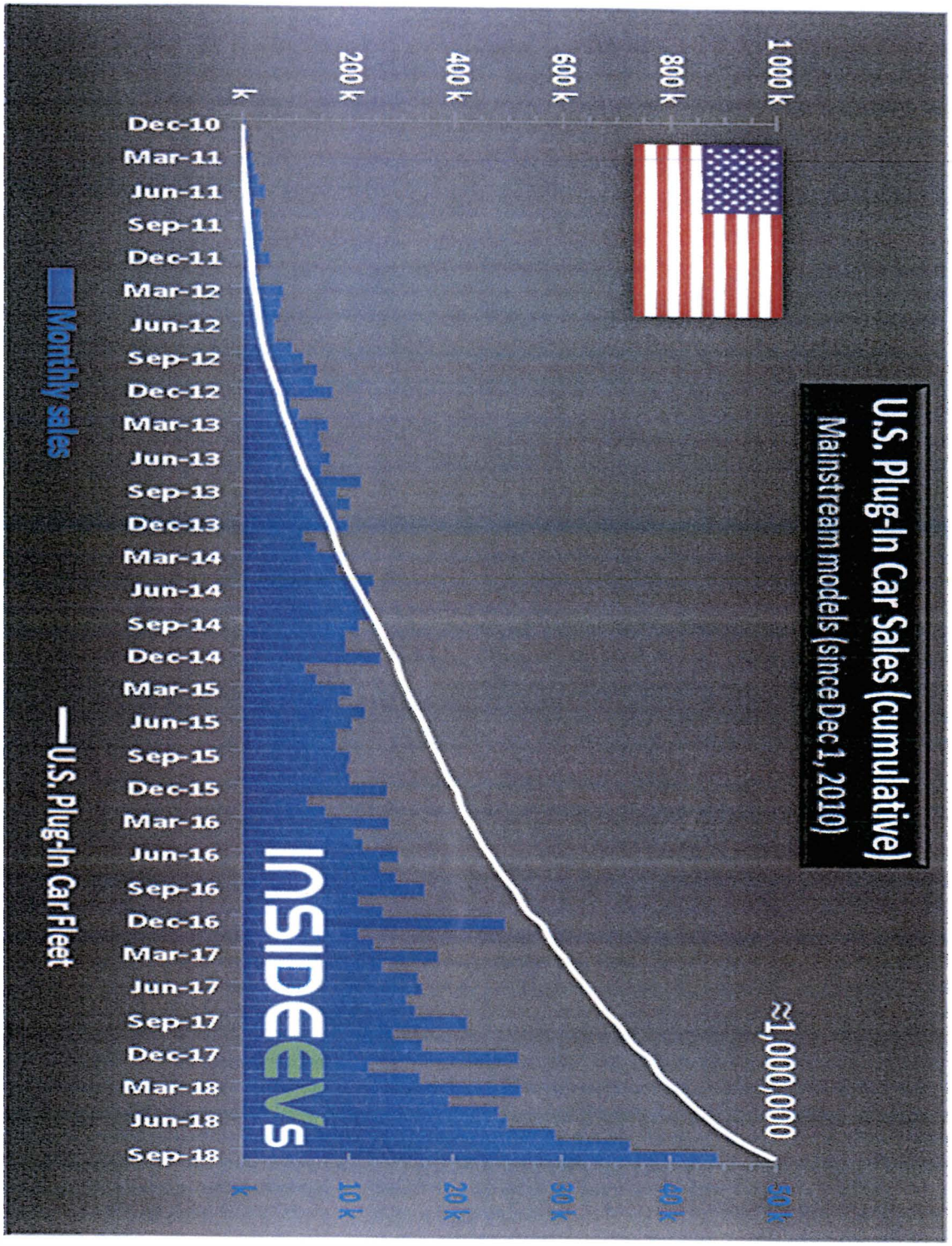
I am testifying in favor of SB 2061 as offered by Senator Kruen. Currently, as we all are aware, gas taxes help pay for roadway repair, maintenance (like snow plowing), safety design, and law enforcement. Whether your vehicle uses gas, diesel, electricity or a combination, because you have an electric or hybrid vehicle does not mean those costs somehow magically disappear. Those of us who use the roads have a responsibility to pay for those associated costs.

Electric cars or hybrids are here to stay…the internal combustion engine is going to significantly diminish in production sooner than we might imagine. However, the roadways and infrastructure concerns are not going away. Looking at the white line on the attached graph representing car fleet numbers and the blue bars representing monthly sales, we are looking at the future and we need to prepare. A GOOGLE™ search of 2018 year-end numbers showed total sales to be more than 1.4 million for plug-in cars.

SB 2061 as amended with registration fees and a study is prudent and I respectfully request a do-pass.

Thank you for your time and consideration. I will try to answer any questions.

SB 2061
2-28-19
#2
p. 2



SB 2061
2-28-19
#3

General Motors Testimony: SB 2061
North Dakota Senate Transportation Committee
February 28, 2019

Good afternoon Chair and members of the House Transportation Committee. My name is Don Larson and I am testifying today on behalf of General Motors.

I appreciate the opportunity to offer support for Senate Bill 2061, relating to a registration fee for electric vehicles.

The sales and use of electric vehicles is still nominal in many states including North Dakota. However, if the Committee deems it appropriate to impose a fee on these vehicles, we offer our support for adjusting the registration fees on electric and hybrid vehicles as laid out in this bill because it offers a reasonable approach to supporting the state highway fund and insuring that everyone pays their fair share.

We like the approach taken in Senate Bill 2061 because it considers the differences between a fully electric vehicle and a hybrid vehicle and believe that it includes a reasonable fee schedule for these vehicles. GM also strongly supports the study on electric vehicle infrastructure that is included in section 2 of the bill.

Thank you for the opportunity to testify.

SB 2061
2-28-19
#4

19.0516.02001
Title.

Prepared by the Legislative Council staff for
Representative Lefor
February 5, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2061

Page 1, line 7, after "**and**" insert "**plug-in**"

Page 1, line 13, after "A" insert "plug-in"

Page 1, line 19, replace "Hybrid" with "Plug-in hybrid"

Page 1, line 20, remove "employing a regenerative"

Page 1, remove line 21

Page 1, line 22, replace "providing propulsion energy" with "a receptacle to accept grid electricity"

Renumber accordingly

SB2061
2-28-19
#5

Dennis Kooren, a hybrid owner.
Fargo, ND

I read with interest State Senator Curt Kreuns reasoning for passing a special EV tax on hybrids. As a hybrid owner I would like to point out a number of what I consider deceptions by Senator Kreun.

1 Hybrid owners do not receive any special Federal tax rebate monies and pay the same road taxes as anyone else. Those Federal rebates are for true Electric vehicles, whose numbers are miniscule in our state. I pay the same 23 cent per gallon tax on my 20 MPG average older 2007 Highlander Hybrid. I do not use the electrical grid to charge my car, my hybrid batteries are powered by gas. This holds true for all hybrids.

2. Kreun talks of fairness, how is it fair to me as a hybrid driver that I will be charged an extra $71 per year in taxes when the larger newer non-hybrid Highlanders already achieve better highway fuel mileage than mine through a combination of other fuel saving technologies, This also holds true for all newer cars. How is it fair to me with my hybrid that now I will pay an extra fee every year when many other vehicles get twice the fuel mileage as mine are non-hybrid ?

3.As a general rule the states,(around 21 in all) only put extra taxes on full electric vehicles and sometimes a smaller fee on the plug-in hybrids,(which can run short distances on grid fueled electric before the gas motor cuts in). I consider it a deception [redacted] is putting hybrids in the same category as the full EVs and the plug in hybrids or PHEVs.

4. As a matter of fairness I propose that as combined fuel saving technologies increase fuel efficiency, that those corresponding savings be converted into loses of road tax and be adjusted accordingly at the pump in the way of increased fuel taxes. This to be shared equally among all gas driven vehicles. It should be a fairly easy assessment for the NDDOT.

5. Full Electric vehicles and plug-ins already pay taxes on the electricity that they use, taxes not shared by gas driven cars. Those taxes though do not go to road maintenance. Many of the states that are taxing EVs also put in incentives to offset the fees. Trying to clean up their smog. California for example still gives an extra $ 2500 rebate on new sales and allows EVs access to their prized HOV lanes, for a much lower ($100) fee than what Senator Kreun proposed. Is Senator Kreun in support of incentives like other states are offering to offset his huge $248 road use fee for EVs? As an example Colorado has the highest state incentive at $5000 per new EV.

6. Petroleum industry lobbyists are actively attacking the federal rebate program for electric vehicles. Their lobbyists like to use the same language as Senator Kreun uses that it is unfair that EVs do not pay gas tax.

Senator Kreun is even taking it a step further, by trying to tax hybrids also. Senator Kreun, hybrid owners pay our road taxes and do not pull any energy off the grid, and have not received any federal rebates. Why are you singling us alone out??

I sent a note to Senator Kreun on Dec. 21 asking for his reasoning on hybrids, he never even had the courtesy of answering me as of Christmas.

Sources: Forum 21 Dec, Auto cheat sheet,, Inside EVs,Greentecn Media, Sierra Club

SB 2061
2-28-19
#6 P.1

Good morning, Chairman Ruby and members of the committee. My name is Shawn Nelson from Bismarck and I am opposed to SB ~~2068~~ 2061 (corrected on audio) in its current form.

I would like to begin by stating that as an EV driver I do feel it is important that all drivers pay our fair share for the roads we drive on. This bill has several deficiencies that I hope the committee will remedy.

The first of these deficiencies is in the definition used in this bill for hybrid vehicles. This bill treats Hybrid Electric Vehicles (HEV), such as the Toyota Prius, which for clarity I will refer to as "traditional hybrids" and Plug-in Hybrid Electric Vehicles (PHEV) as the same. For the record I drive a Chevy Volt - a plug-in hybrid.

A traditional hybrid does not get plugged in at all, and uses the battery primarily as a storage mechanism to store the energy of braking for later use. This is called regenerative braking. The energy stored is used by a small electric motor to assist the internal combustion engine in starting the vehicle moving. This allows for the use of a smaller, more efficient engine. It also was the first mechanism that allowed the engine to shut down instead of idling when the vehicle is stopped. In many traditional hybrids the electric motor and battery are capable of propelling the vehicle without the engine but only for short distances and low speeds. Whether from regenerative braking or being charged by the vehicle's engine, all of the energy stored in the battery of a traditional hybrid comes from gasoline or diesel fuel. Imposing a fee on traditional hybrids would amount to double taxation because traditional hybrids ultimately draw all of their power from an internal combustion engine.

By contrast a plug-in hybrid battery is much larger and the electric motors are also typically larger allowing the PHEV to travel for miles at highway speeds on battery power alone. Most importantly the PHEV battery draws the majority of its energy from the electric grid. In most commuting situations this allows the PHEV owner to drive for weeks in the summer without using a drop of gas, which is something the traditional hybrid is incapable of doing.

It is also important to note that traditional hybrids are not always more efficient than their gas or diesel only brothers. I have provided tables taken from EPA fuel economy data that shows the fuel economy ratings for the top 50 traditional hybrid and internal combustion engine vehicles.

During testimony on this bill in the Senate Transportation Committee it seemed that the difference between traditional hybrids and PHEVs was blurred. Even the table provided by the ND DOT could be considered misleading. I have provided an updated table which better shows how other states are charging PHEVs vs traditional hybrids.

I would recommend altering the definition of hybrid vehicles in the bill to exclude traditional hybrid vehicles and only include PHEVs.

The second issue I have with this bill is in that the fees imposed are very much "in your face". By contrast the fuel tax is "silent" meaning the taxes themselves are not a consideration when purchasing a vehicle or fuel. How many here know without receipts and a calculator what you paid in fuel taxes last year? This difference between the two tax methods I believe is one reason why many EV owners and sales representatives see these fees as a penalty.

My recommendation to close this disparity would be to require vehicle dealers in the state to post in the windows of the vehicles they are selling, an estimate of fuel taxes based on the EPA combined MPG, the current fuel taxes, and an annual mileage of 12,000 - the mileage used in calculating the proposed fees. For clarity such signage should include both the state and federal fuel taxes listed separately for vehicles that have an Internal Combustion Engine. The signage for EVs should include a statement to the effect that currently the federal government does not collect highway taxes from the fees imposed by the state.

Lastly, I was disappointed when this committee removed the per mile provision from HB 1238. No matter how much the numbers behind the fees are tweaked to be "equitable", EV drivers are always going to feel singled out by this tax because EV owners are being asked to pay in a way that is not applicable to all vehicles. In other words "separate but equal".
To remove this apparent inequity, a Vehicle Mileage Tax (VMT) must be considered for all vehicles, not just EVs and the fuels tax eventually eliminated.

I understand the concern of the ND DOT of some drivers "fudging" in their mileage reporting. There are no foolproof methods of reporting the needed information however that is no excuse for allowing perfection to be the enemy of the good. This could be mitigated by having service stations report mileage for all vehicles that they service. This information could also go toward detecting fraudulent reporting of mileage when a vehicle is sold or title is transferred. Another possibility is to have participants in a manual reporting VMT system plug in a recording device into the vehicle diagnostic port for electronic recording of mileage at the time of registration renewal.

I also recognize the concern of one of the witnesses who testified before this committee on HB 1238 that the manual reporting option did not have a mechanism for not paying for mileage driven in another state. I would point out that this same flaw exists with the fuel tax. For example if a person filled a 10 gallon tank of a car in Detroit Lakes, Minnesota that got 45 - 50 MPG on the highway he could reach Glendive, MT comfortably without filling any fuel in North Dakota. Because his initial load of fuel was purchased in Minnesota all of the funds generated from the trip would go to Minnesota.

As I have thought about the issue I believe an effective VMT design is ultimately going to have four parts, one of which method the vehicle's owner chooses:

- GPS enabled electronic mileage reporting
- Non-GPS enabled electronic mileage reporting
- Manual mileage reporting

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2-28-19
#6 p.3

- Flat fees

For comparison purposes I have outlined my thoughts on the characteristics of these tax structures as well as the fuel tax and the current proposed fees on EVs on the page of my written testimony titled "Highway Tax Characteristics".

I do not expect that any sort of VMT should be created with this bill. I do believe that the Legislative Management should be directed to work with state privacy organizations, ND DOT, and other relevant parties to begin drafting legislation for the 67th Legislative session for a pilot VMT program. I would point out to the committee that Oregon has been engaged in such pilot programs for the past few years and is currently engaged in an interoperability pilot with Washington state and California. By working with Oregon on our own pilot program North Dakota can become a leader in the Great Plains region for how to raise state highway funds in a truly equitable fashion. We may also bring to the table some of our own ingenuity. After all while Oregon unleashed the gas tax on the U.S. in 1919, the block heater was invented in North Dakota around 1940.

Thank you for giving me an opportunity to speak on SB 2068.

Shawn Nelson
Bismarck, ND
(701)255-7061

SB 2061
2-28-19
#6 p. 4

2019 Hybrid Vehicles sorted by Combined MPG

Model Year	Division	Carline	City FE (Guide) - Conventional Fuel	Hwy FE (Guide) - Conventional Fuel	Comb FE (Guide) - Conventional Fuel	Total Voltage for Battery Pack(s)	Batt Energy Capacity (Amp-hrs)	kWh
2019	HYUNDAI MOTOR COMPANY	Ioniq Blue	57	59	58	240	6.5	1.56
2019	TOYOTA	PRIUS Eco	58	53	56	207	4	0.828
2019	HYUNDAI MOTOR COMPANY	Ioniq	55	54	55	240	6.5	1.56
2019	Honda	INSIGHT	55	49	52	222	5.5	1.221
2019	TOYOTA	CAMRY HYBRID LE	51	53	52	259	4	1.036
2019	TOYOTA	PRIUS	54	50	52	207	4	0.828
2019	KIA MOTORS CORPORATION	Niro FE	52	49	50	240	6.5	1.56
2019	TOYOTA	PRIUS AWD	52	48	50	202	6.5	1.313
2019	KIA MOTORS CORPORATION	Niro	51	46	49	240	6.5	1.56
2019	Honda	INSIGHT TOURING	51	45	48	222	5.5	1.221
2019	Honda	ACCORD	48	48	48	259	4.25	1.10075
2019	Chevrolet	MALIBU	49	43	46	300	5.2	1.56
2019	TOYOTA	PRIUS c	48	43	46	144	6.5	0.936
2019	TOYOTA	CAMRY HYBRID XLE/SE	44	47	46	245	6.5	1.5925
2019	LEXUS	ES 300h	43	45	44	245	6.5	1.5925
2019	TOYOTA	AVALON HYBRID XLE	43	44	44	245	6.5	1.5925
2019	KIA MOTORS CORPORATION	Niro Touring	46	40	43	240	6.5	1.56
2019	TOYOTA	AVALON HYBRID	43	43	43	245	6.5	1.5925
2019	Ford	FUSION HYBRID FWD	43	41	42	280	4.75	1.33
2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID SE	40	46	42	270	6.5	1.755
2019	LEXUS	UX 250h	43	41	42	216	6.5	1.404
2019	Ford	FUSION HYBRID TAXI	43	40	41	280	4.75	1.33
2019	Lincoln	MKZ HYBRID FWD	42	39	41	280	4.75	1.33
2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID	39	44	41	270	6.5	1.755
2019	KIA MOTORS CORPORATION	Optima Hybrid	39	45	41	270	6.5	1.755
2019	LEXUS	UX 250h AWD	41	38	39	216	6.5	1.404
2019	NISSAN	ROGUE FWD Hybrid	33	35	34	202	4	0.808
2019	NISSAN	ROGUE AWD Hybrid	31	34	33	202	4	0.808
2019	LEXUS	NX 300h AWD	33	30	31	245	6.5	1.5925
2019	LEXUS	RX 450h AWD	31	28	30	288	6.5	1.872
2019	LEXUS	LC 500h	27	35	30	311	3.6	1.1196
2019	Buick	LACROSSE	25	35	29	86	5.3	0.4558
2019	LEXUS	RX 450hL AWD	29	28	29	288	6.5	1.872
2019	TOYOTA	HIGHLANDER HYBRID AWD LE Plus	30	28	29	288	6.5	1.872
2019	Acura	RLX	28	29	28	259	4.25	1.10075
2019	TOYOTA	HIGHLANDER HYBRID AWD	29	27	28	288	6.5	1.872
2019	LEXUS	LS 500h	25	33	28	311	3.6	1.1196
2019	Acura	MDX AWD	26	27	27	259	4.25	1.10075
2019	Mercedes-Benz	CLS 450	24	31	26	48	20	0.96
2019	Mercedes-Benz	CLS 450 4MATIC	23	30	26	48	20	0.96
2019	LEXUS	LS 500h AWD	23	31	26	311	3.6	1.1196
2019	Audi	A6 quattro	22	29	25	48	5.2	0.2496
2019	Audi	A7 quattro	22	29	25	48	5.2	0.2496
2019	Jeep	Wrangler 4X4	23	25	24	48	8.5	0.408
2019	Mercedes-Benz	AMG E53 4MATIC+	21	28	24	48	20	0.96
2019	Mercedes-Benz	AMG E53 4MATIC+ (Convertible)	20	26	23	48	20	0.96
2019	Mercedes-Benz	AMG E53 4MATIC+ (Coupe)	21	28	23	48	20	0.96
2019	Mercedes-Benz	AMG CLS53 4MATIC+	21	27	23	48	20	0.96
2019	RAM	1500 4X2	20	25	22	48	9.8	0.4704
2019	Jeep	Wrangler Unlimited 4X4	22	24	22	48	8.5	0.408
2019	Audi	A8L	19	27	22	48	5.2	0.2496
2019	RAM	1500 4X4	19	24	21	48	9.8	0.4704
2019	Acura	NSX	21	22	21	260	4.25	1.105
2019	RAM	1500 4X2	17	23	19	48	9.8	0.4704
2019	RAM	1500 4X4	17	22	19	48	9.8	0.4704
2019	Audi	Q8	17	22	19	48	5.2	0.2496

Source: www.fueleconomy.gov (https://www.fueleconomy.gov/feg/download.shtml)

kWh = (Voltage * Amp-hrs)/1000

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Top 50 Non-EV Models by Combined MPG

	Model Year	Division	Carline	City FE (Guide) - Conventional Fuel	Hwy FE (Guide) - Conventional Fuel	Comb FE (Guide) - Conventional Fuel	Fuel Usage Desc - Conventional Fuel	Total Voltage for Battery Pack(s)	Batt Energy Capacity (Amp-hrs)	kWh
HEV	2019	HYUNDAI MOTOR COMPANY	Ioniq Blue	57	59	58	Gasoline	240	6.5	1.56
HEV	2019	TOYOTA	PRIUS Eco	58	53	56	Gasoline	207	4	0.828
HEV	2019	HYUNDAI MOTOR COMPANY	Ioniq	55	54	55	Gasoline	240	6.5	1.56
HEV	2019	Honda	INSIGHT	55	49	52	Gasoline	222	5.5	1.221
HEV	2019	TOYOTA	CAMRY HYBRID LE	51	53	52	Gasoline	259	4	1.036
HEV	2019	TOYOTA	PRIUS	54	50	52	Gasoline	207	4	0.828
HEV	2019	TOYOTA	PRIUS AWD	52	48	50	Gasoline	202	6.5	1.313
HEV	2019	KIA MOTORS CORPORATION	Niro FE	52	49	50	Gasoline	240	6.5	1.56
HEV	2019	KIA MOTORS CORPORATION	Niro	51	46	49	Gasoline	240	6.5	1.56
HEV	2019	Honda	INSIGHT TOURING	51	45	48	Gasoline	222	5.5	1.221
HEV	2019	Honda	ACCORD	48	48	48	Gasoline	259	4.25	1.10075
HEV	2019	TOYOTA	PRIUS c	48	43	46	Gasoline	144	6.5	0.936
HEV	2019	TOYOTA	CAMRY HYBRID XLE/SE	44	47	46	Gasoline	245	6.5	1.5925
HEV	2019	Chevrolet	MALIBU	49	43	46	Gasoline	300	5.2	1.56
HEV	2019	LEXUS	ES 300h	43	45	44	Gasoline	245	6.5	1.5925
HEV	2019	TOYOTA	AVALON HYBRID XLE	43	44	44	Gasoline	245	6.5	1.5925
HEV	2019	TOYOTA	AVALON HYBRID	43	43	43	Gasoline	245	6.5	1.5925
HEV	2019	KIA MOTORS CORPORATION	Niro Touring	46	40	43	Gasoline	240	6.5	1.56
HEV	2019	LEXUS	UX 250h	43	41	42	Gasoline	216	6.5	1.404
HEV	2019	Ford	FUSION HYBRID FWD	43	41	42	Gasoline	280	4.75	1.33
HEV	2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID SE	40	46	42	Gasoline	270	6.5	1.755
HEV	2019	Ford	FUSION HYBRID TAXI	43	40	41	Gasoline	280	4.75	1.33
HEV	2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID	39	44	41	Gasoline	270	6.5	1.755
HEV	2019	KIA MOTORS CORPORATION	Optima Hybrid	39	45	41	Gasoline	270	6.5	1.755
HEV	2019	Lincoln	MKZ HYBRID FWD	42	39	41	Gasoline	280	4.75	1.33
HEV	2019	LEXUS	UX 250h AWD	41	38	39	Gasoline	216	6.5	1.404
	2019	Mitsubishi Motors Corporation	MIRAGE	36	43	39	Gasoline			
	2019	Chevrolet	CRUZE	31	48	37	Diesel			
	2019	Mitsubishi Motors Corporation	MIRAGE G4	35	41	37	Gasoline			
	2019	Jaguar	XE	32	42	36	Diesel			
	2019	Mitsubishi Motors Corporation	MIRAGE	33	41	36	Gasoline			
	2019	TOYOTA	COROLLA HATCHBACK	32	42	36	Gasoline			
	2019	Honda	CIVIC 4Dr	32	42	36	Gasoline			
	2019	Honda	FIT	33	40	36	Gasoline			
	2019	Honda	CIVIC 2Dr	31	40	35	Gasoline			
	2019	MAZDA	MAZDA2	32	40	35	Gasoline			
	2019	Mitsubishi Motors Corporation	MIRAGE G4	33	40	35	Gasoline			
	2019	TOYOTA	YARIS	32	40	35	Gasoline			
	2019	Chevrolet	CRUZE HATCHBACK	30	45	35	Diesel			
	2019	HYUNDAI MOTOR COMPANY	Elantra	32	40	35	Gasoline			
	2019	Jaguar	XF	31	42	35	Diesel			
	2019	KIA MOTORS CORPORATION	Forte FE	31	41	35	Gasoline			
HEV	2019	NISSAN	ROGUE FWD Hybrid	33	35	34	Gasoline	202	4	0.808
	2019	Jaguar	XE AWD	30	40	34	Diesel			
	2019	MAZDA	MAZDA2	30	39	34	Gasoline			
	2019	NISSAN	VERSA	31	39	34	Gasoline			
	2019	TOYOTA	YARIS	30	39	34	Gasoline			
	2019	Volkswagen	Jetta	30	40	34	Gasoline			
	2019	Volkswagen	Jetta	30	40	34	Gasoline			
	2019	Jaguar	XF AWD	30	40	34	Diesel			

Total HEV on list: 27. Top ranked non-HEV: #27.

Source: www.fueleconomy.gov (https://www.fueleconomy.gov/feg/download.shtml)

kWh = (Voltage * Amp-hrs)/1000

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Top 50 Non-EV Models by Highway MPG

	Model Year	Division	Carline	City FE (Guide) - Conventional Fuel	Hwy FE (Guide) - Conventional Fuel	Comb FE (Guide) - Conventional Fuel	Fuel Usage Desc - Conventional Fuel	Total Voltage for Battery Pack(s)	Batt Energy Capacity (Amp-hrs)	kWh
HEV	2019	HYUNDAI MOTOR COMPANY	Ioniq Blue	57	59	58	Gasoline	240	6.5	1.56
HEV	2019	HYUNDAI MOTOR COMPANY	Ioniq	55	54	55	Gasoline	240	6.5	1.56
HEV	2019	TOYOTA	PRIUS Eco	58	53	56	Gasoline	207	4	0.828
HEV	2019	TOYOTA	CAMRY HYBRID LE	51	53	52	Gasoline	259	4	1.036
HEV	2019	TOYOTA	PRIUS	54	50	52	Gasoline	207	4	0.828
HEV	2019	Honda	INSIGHT	55	49	52	Gasoline	222	5.5	1.221
HEV	2019	KIA MOTORS CORPORATION	Niro FE	52	49	50	Gasoline	240	6.5	1.56
HEV	2019	TOYOTA	PRIUS AWD	52	48	50	Gasoline	202	6.5	1.313
HEV	2019	Honda	ACCORD	48	48	48	Gasoline	259	4.25	1.10075
	2019	Chevrolet	CRUZE	31	48	37	Diesel			
HEV	2019	TOYOTA	CAMRY HYBRID XLE/SE	44	47	46	Gasoline	245	6.5	1.5925
HEV	2019	KIA MOTORS CORPORATION	Niro	51	46	49	Gasoline	240	6.5	1.56
HEV	2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID SE	40	46	42	Gasoline	270	6.5	1.755
HEV	2019	Honda	INSIGHT TOURING	51	45	48	Gasoline	222	5.5	1.221
HEV	2019	LEXUS	ES 300h	43	45	44	Gasoline	245	6.5	1.5925
HEV	2019	KIA MOTORS CORPORATION	Optima Hybrid	39	45	41	Gasoline	270	6.5	1.755
	2019	Chevrolet	CRUZE HATCHBACK	30	45	35	Diesel			
HEV	2019	TOYOTA	AVALON HYBRID XLE	43	44	44	Gasoline	245	6.5	1.5925
HEV	2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID	39	44	41	Gasoline	270	6.5	1.755
HEV	2019	TOYOTA	PRIUS c	48	43	46	Gasoline	144	6.5	0.936
HEV	2019	Chevrolet	MALIBU	49	43	46	Gasoline	300	5.2	1.56
HEV	2019	TOYOTA	AVALON HYBRID	43	43	43	Gasoline	245	6.5	1.5925
	2019	Mitsubishi Motors Corporation	MIRAGE	36	43	39	Gasoline			
	2019	Jaguar	XE	32	42	36	Diesel			
	2019	TOYOTA	COROLLA HATCHBACK	32	42	36	Gasoline			
	2019	Honda	CIVIC 4Dr	32	42	36	Gasoline			
	2019	Jaguar	XF	31	42	35	Diesel			
HEV	2019	LEXUS	UX 250h	43	41	42	Gasoline	216	6.5	1.404
HEV	2019	Ford	FUSION HYBRID FWD	43	41	42	Gasoline	280	4.75	1.33
	2019	Mitsubishi Motors Corporation	MIRAGE G4	35	41	37	Gasoline			
	2019	Mitsubishi Motors Corporation	MIRAGE	33	41	36	Gasoline			
	2019	KIA MOTORS CORPORATION	Forte FE	31	41	35	Gasoline			
	2019	TOYOTA	CAMRY	29	41	34	Gasoline			
HEV	2019	KIA MOTORS CORPORATION	Niro Touring	46	40	43	Gasoline	240	6.5	1.56
HEV	2019	Ford	FUSION HYBRID TAXI	43	40	41	Gasoline	280	4.75	1.33
	2019	Honda	FIT	33	40	36	Gasoline			
	2019	Honda	CIVIC 2Dr	31	40	35	Gasoline			
	2019	MAZDA	MAZDA2	32	40	35	Gasoline			
	2019	Mitsubishi Motors Corporation	MIRAGE G4	33	40	35	Gasoline			
	2019	TOYOTA	YARIS	32	40	35	Gasoline			
	2019	HYUNDAI MOTOR COMPANY	Elantra	32	40	35	Gasoline			
	2019	Jaguar	XE AWD	30	40	34	Diesel			
	2019	Volkswagen	Jetta	30	40	34	Gasoline			
	2019	Volkswagen	Jetta	30	40	34	Gasoline			
	2019	Jaguar	XF AWD	30	40	34	Diesel			
	2019	KIA MOTORS CORPORATION	Forte	30	40	34	Gasoline			
	2019	TOYOTA	COROLLA LE ECO	30	40	34	Gasoline			
	2019	Honda	CIVIC 5Dr	31	40	34	Gasoline			
HEV	2019	Lincoln	MKZ HYBRID FWD	42	39	41	Gasoline	280	4.75	1.33
	2019	MAZDA	MAZDA2	30	39	34	Gasoline			

Total HEV on list: 25. Top ranked non-HEV: #10.

Source: www.fueleconomy.gov (https://www.fueleconomy.gov/feg/download.shtml)

kWh = (Voltage * Amp-hrs)/1000

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Top 50 Non-EV Models by City MPG

	Model Year	Division	Carline	City FE (Guide) - Conventional Fuel	Hwy FE (Guide) - Conventional Fuel	Comb FE (Guide) - Conventional Fuel	Fuel Usage Desc - Conventional Fuel	Total Voltage for Battery Pack(s)	Batt Energy Capacity (Amp-hrs)	kWh
HEV	2019	TOYOTA	PRIUS Eco	58	53	56	Gasoline	207	4	0.828
HEV	2019	HYUNDAI MOTOR COMPANY	Ioniq Blue	57	59	58	Gasoline	240	6.5	1.56
HEV	2019	HYUNDAI MOTOR COMPANY	Ioniq	55	54	55	Gasoline	240	6.5	1.56
HEV	2019	Honda	INSIGHT	55	49	52	Gasoline	222	5.5	1.221
HEV	2019	TOYOTA	PRIUS	54	50	52	Gasoline	207	4	0.828
HEV	2019	KIA MOTORS CORPORATION	Niro FE	52	49	50	Gasoline	240	6.5	1.56
HEV	2019	TOYOTA	PRIUS AWD	52	48	50	Gasoline	202	6.5	1.313
HEV	2019	TOYOTA	CAMRY HYBRID LE	51	53	52	Gasoline	259	4	1.036
HEV	2019	KIA MOTORS CORPORATION	Niro	51	46	49	Gasoline	240	6.5	1.56
HEV	2019	Honda	INSIGHT TOURING	51	45	48	Gasoline	222	5.5	1.221
HEV	2019	Chevrolet	MALIBU	49	43	46	Gasoline	300	5.2	1.56
HEV	2019	Honda	ACCORD	48	48	48	Gasoline	259	4.25	1.10075
HEV	2019	TOYOTA	PRIUS c	48	43	46	Gasoline	144	6.5	0.936
HEV	2019	KIA MOTORS CORPORATION	Niro Touring	46	40	43	Gasoline	240	6.5	1.56
HEV	2019	TOYOTA	CAMRY HYBRID XLE/SE	44	47	46	Gasoline	245	6.5	1.5925
HEV	2019	LEXUS	ES 300h	43	45	44	Gasoline	245	6.5	1.5925
HEV	2019	TOYOTA	AVALON HYBRID XLE	43	44	44	Gasoline	245	6.5	1.5925
HEV	2019	TOYOTA	AVALON HYBRID	43	43	43	Gasoline	245	6.5	1.5925
HEV	2019	LEXUS	UX 250h	43	41	42	Gasoline	216	6.5	1.404
HEV	2019	Ford	FUSION HYBRID FWD	43	41	42	Gasoline	280	4.75	1.33
HEV	2019	Ford	FUSION HYBRID TAXI	43	40	41	Gasoline	280	4.75	1.33
HEV	2019	Lincoln	MKZ HYBRID FWD	42	39	41	Gasoline	280	4.75	1.33
HEV	2019	LEXUS	UX 250h AWD	41	38	39	Gasoline	216	6.5	1.404
HEV	2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID SE	40	46	42	Gasoline	270	6.5	1.755
HEV	2019	KIA MOTORS CORPORATION	Optima Hybrid	39	45	41	Gasoline	270	6.5	1.755
HEV	2019	HYUNDAI MOTOR COMPANY	Sonata HYBRID	39	44	41	Gasoline	270	6.5	1.755
	2019	Mitsubishi Motors Corporation	MIRAGE	36	43	39	Gasoline			
	2019	Mitsubishi Motors Corporation	MIRAGE G4	35	41	37	Gasoline			
	2019	Mitsubishi Motors Corporation	MIRAGE	33	41	36	Gasoline			
	2019	Honda	FIT	33	40	36	Gasoline			
	2019	Mitsubishi Motors Corporation	MIRAGE G4	33	40	35	Gasoline			
HEV	2019	NISSAN	ROGUE FWD Hybrid	33	35	34	Gasoline	202	4	0.808
HEV	2019	LEXUS	NX 300h AWD	33	30	31	Gasoline	245	6.5	1.5925
	2019	Jaguar	XE	32	42	36	Diesel			
	2019	TOYOTA	COROLLA HATCHBACK	32	42	36	Gasoline			
	2019	Honda	CIVIC 4Dr	32	42	36	Gasoline			
	2019	MAZDA	MAZDA2	32	40	35	Gasoline			
	2019	TOYOTA	YARIS	32	40	35	Gasoline			
	2019	HYUNDAI MOTOR COMPANY	Elantra	32	40	35	Gasoline			
	2019	Chevrolet	CRUZE	31	48	37	Diesel			
	2019	Jaguar	XF	31	42	35	Diesel			
	2019	KIA MOTORS CORPORATION	Forte FE	31	41	35	Gasoline			
	2019	Honda	CIVIC 2Dr	31	40	35	Gasoline			
	2019	Honda	CIVIC 5Dr	31	40	34	Gasoline			
	2019	NISSAN	VERSA	31	39	34	Gasoline			
	2019	NISSAN	Kicks	31	36	33	Gasoline			
	2019	Honda	FIT	31	36	33	Gasoline			
HEV	2019	NISSAN	ROGUE AWD Hybrid	31	34	33	Gasoline	202	4	0.808
HEV	2019	LEXUS	RX 450h AWD	31	28	30	Gasoline	288	6.5	1.872
	2019	Chevrolet	CRUZE HATCHBACK	30	45	35	Diesel			

Total HEV on the list: 30. Top ranked non-HEV: #27

Source: www.fueleconomy.gov (https://www.fueleconomy.gov/feg/download.shtml)

kWh = (Voltage * Amp-hrs)/1000

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States Imposing Surcharges on Electric and Hybrid Vehicles (corrected)

	Electric Vehicles	Plug-in Hybrid Electric Vehicles (PHEV)	Hybrid Vehicles (HEV)	
California	$100			A
Colorado	$50	$50		
Georgia	$200			
Idaho	$140	$75		
Indiana	$150	$50	$50	
Michigan	$235/$135	$117.50/$47.50		D E
Minnesota	$75			
Mississippi	$150	$75	$75	
Missouri	$75	$37.50		
Nebraska	$75			
North Carolina	$130			
Oklahoma	$100	$30		D
Oregon	$110			F
South Carolina	$60	$30	$30	B
Tennessee	$100			
Utah	$60	$26	$10	C
Virginia	$64	$64		
Washington	$150	$150		
West Virginia	$200	$100	$100	
Wisconsin	$100	$75		D
Wyoming	$50	$50		

(A) Effective January 1, 2021, the California fee is indexed to the consumer price index.

(B) South Carolina imposes fees biennially. The fees as show have been annualized.

(C) The Utah fees are scheduled to increase each year through 2021. After that, they are indexed to the consumer price index.

(D) Michigan, Oklahoma and Wisconsin determine the difference between PHEV and HEV by battery capacity >= 4kWh

(E) Michigan fees are separated by over/under 8,000 lbs.

(F) Oregon fees are set to begin 1/1/2020. Fees are also charged on all non BEV vehicles based on fuel economy ratings. https://afdc.energy.gov/fuels/laws/ELEC?state=or

Note: Oklahoma passed legislation imposing annual fees of $100 and $30 for electric and hybrid vehicles respectively. The Oklahoma Supreme Court subsequently struck down the legislation on several technicalities.

Note: The Wyoming legislature passed legislation in 2016 clarifying the intent that the fees be paid annually.

Source: National Council of State Legislatures
http://www.ncsl.org/research/energy/new-fees-on-hybrid-and-electric-vehicles.aspx
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EV definitions from the National Council of State Legislatures
(http://www.ncsl.org/research/energy/new-fees-on-hybrid-and-electric-vehicles.aspx)

Battery electric vehicles (BEV): Run entirely on an electric motor and rechargeable battery. Also known as all-electric vehicles. Example: Nissan Leaf.

Plug-in hybrid electric vehicles (PHEV): Combine two propulsion modes, an electric motor and rechargeable battery; can switch to gas once battery power is depleted. Example: Chevrolet Volt.

Plug-in electric vehicles (PEV): Run at least partially on battery power and can be charged from an outlet. Includes all BEVs and PHEVs.

Hybrid electric vehicles (HEV): Use a gas engine with an electric motor, but can't be recharged from an outlet. Example: Toyota Prius.

Office of Energy Efficiency and Renewable Energy
(https://www.energy.gov/eere/electricvehicles/electric-vehicle-basics)

Types of EVs
EVs (also known as plug-in electric vehicles) derive all or part of their power from electricity supplied by the electric grid. They include AEVs and PHEVs.

AEVs (all-electric vehicles) are powered by one or more electric motors. They receive electricity by plugging into the grid and store it in batteries. They consume no petroleum-based fuel and produce no tailpipe emissions. AEVs include Battery Electric Vehicles (BEVs) and Fuel Cell Electric Vehicles (FCEVs).

PHEVs (plug-in hybrid electric vehicles) use batteries to power an electric motor, plug into the electric grid to charge, and use a petroleum-based or alternative fuel to power the internal combustion engine. Some types of PHEVs are also called extended-range electric vehicles (EREVs).

Alternative Fuels Data Center: Hybrid and Plug-In Electric Vehicles
(https://afdc.energy.gov/vehicles/electric.html)

Hybrid Electric Vehicles: HEVs are powered by an internal combustion engine and by an electric motor that uses energy stored in a battery. The battery is charged through regenerative braking and by the internal combustion engine and does not plug in to charge.

Plug-In Hybrid Electric Vehicles: PHEVs are powered by an internal combustion engine and an electric motor that uses energy stored in a battery. The vehicle can be plugged in to an electric power source to charge the battery. Some can travel nearly 100 miles on electricity alone, and all can operate solely on gasoline (similar to a conventional hybrid).

All-Electric Vehicles: EVs run on electricity alone. They are powered by an electric motor that uses energy stored in a battery (larger than the batteries in an HEV or PHEV). EV batteries are charged by plugging the vehicle in to an electric power source and (to a lesser degree) through regenerative braking.

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Highway Tax Characteristics

The following table lists characteristics of various methods of taxing users for highway use. The characteristics listed are my personal thoughts.

	Fuel Tax	Registration Road Use Fees (current proposals)	GPS Vehicle Mile Tax (VMT) or Road Use Charge (RUC)	Non GPS Vehicle Mile Tax (VMT) or Road Use Charge (RUC) - Electronic Reporting	Non GPS Vehicle Mile Tax (VMT) or Road Use Charge (RUC) - Manual reporting	Registration Road Use Fees (as part of VMT)
Consideration when buying vehicle	None - Silent	Upfront	None	None	None	None
Road payment	Indirect (consumption tax)	Direct only for roads within state of registration	Direct	Direct only for roads within state of registration	Direct only for roads within state of registration	Direct only for roads within state of registration
Per mile cost	Varies with fuel efficiency	Varies with actual miles driven vs average used in law	Fixed by law	Fixed by law	Fixed by law	Varies with actual miles driven vs average used in law
Out of State Drivers	Pays if purchasing fuel within state	Do not pay	Each mile in state is paid for	Do not pay	Do not pay	Do not pay
Road payment responsibility	All users of roads	Only owners within state	All users of roads	Only owners within State	Only owners within State	Only owners within state
Applicibility	Fuels sold by volume or weight	EVs	All vehicles Model Year 1996 and newer except diesel vehicles 2006.	All vehicles Model Year 1996 and newer except diesel vehicles 2006.	All vehicles	All vehicles not in VMT
Granularity	Purchases made within state.	None	Out of state excluded, off-road (pastures/fields) can be excluded. If allowed in law counties, townships, cities can add own fee similar to sales tax.	None	None	None
Payment Flexibility	Consumer may choose how much fuel to purchase and when.	In full with regular regisration fee.	monthly, quarterly, semi-annually, yearly with income tax or registration or any combination as allowed by law	monthly, quarterly, semi-annually, yearly with income tax or registration or any combination as allowed by law	monthly, quarterly, semi-annually, yearly with income tax or registration or any combination as allowed by law	In full with regular regisration fee.
Credit for trade in/loss/long term disuse	Automatic	No	Automatic	Automatic	?	No

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Highway Tax Characteristics

The following table lists characteristics of various methods of taxing users for highway use. The characteristics listed are my personal thoughts.

	Fuel Tax	Registration Road Use Fees (current proposals)	GPS Vehicle Mile Tax (VMT) or Road Use Charge (RUC)	Non GPS Vehicle Mile Tax (VMT) or Road Use Charge (RUC) - Electronic Reporting	Non GPS Vehicle Mile Tax (VMT) or Road Use Charge (RUC) - Manual reporting	Registration Road Use Fees (as part of VMT)
Impact on low income drivers.	More likely to be paid by low income drivers as those drivers may find it difficult to afford more efficient vehicles.	Difficult to pay all at once with existing registration fees.	None	None	None	Difficult to pay all at once with existing registration fees.
Credit for taxes paid through fuel tax	n/a	No	Yes	Yes	Yes	No
Heavy Vehicles	Usually pay more as a function of increased consumption.	If written into law.	If written into law.	If written into law.	If written into law.	If written into law.
Flexibility with weight change.	Load changes automatically change consumption.	No	Deviation from normal consumption could determine weight change	Deviation from normal consumption could determine weight change	No	No
Privacy issues	None	None	Law must be written to control what data is collected, how used, what specific information agencies can access, and what circumstances, safeguards against data theft	Limited to regular reporting of odometer and fuel consumption	Limited to regular reporting of odometer readings	None
Deployment timeframe	Deployed	Months	Years	Years	Months	Months
Extra equipment	No	No	Yes	Yes	No	No
place in VMT System	legacy - to be phased out	legacy - to be phased out	Most accurate	Those with issues with GPS reporting	those who do not trust any electronic reporting	punitive for failure to report

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Presentation to Transportation Committee
North Dakota House of Representatives

re. SB 2061: A BILL for an Act to create and enact a new section to chapter 39 04 of the North Dakota Century Code, relating to a road use fee for electric and hybrid vehicles; and to provide for a legislative management study.

by Dr. Dexter Perkins, February 28, 2019

My name is Dexter Perkins. I am a Professor of Geology at the University of North Dakota. I have been teaching and doing research there for more than 30 years. When I was in graduate school, my focus was on minerals and chemistry. Over the past several decades, however, I have become increasingly focused on environmental matters, and today I have become an expert on climate change and global warming. I regularly attend scientific meetings where climate and climate change are discussed.

That is the reason I am pleased to be here today. Because the proposed legislation directly relates to what people can do to help solve the global warming problems that we face.

Let me make a few comments about climate change before talking about the legislation under consideration today.

Humanity's effect on the Earth system and climate has been profound. Large-scale combustion of coal, oil and gas -- and the resulting release of carbon dioxide (CO_2) into the atmosphere - -- and emissions of other greenhouse gases -- have significantly altered our planet since early in the 19th century.

Thousands of studies conducted by thousands of scientists around the world have documented the warming that has occurred - and documented the impacts that it has had on Earth's climate. The scientific data is just overwhelming.

Perhaps there was a time when scientists were uncertain if climate change was occurring. Or if it was caused by people. But, those times are long gone.

The Intergovernmental Panel on Climate Change was established in 1988 by the World Meteorological Organization. The IPCC's first report, issued in 1990, concluded that they were "certain that emissions resulting from human activities are substantially increasing the atmospheric concentrations of the greenhouse gases, resulting on average in an additional warming of the Earth 's surface."

Some non-experts, however, kept arguing. They said that Earth's warming was not happening. Or that it was due to variations in Earth's orbit. Or due to variations in energy produced by the Sun. Or . . . well, they came up with many alternatives.

The IPCC checked them out one-by-one and found that none could explain global warming since the industrial revolution.

However, let's skip forward - the most recent IPCC report, issued just a few months ago, was a landmark because it was written by hundreds of the world's best climate scientists. And, they were in complete agreement. Most important - they went out on a limb with their predictions. Scientists normally do not like making predictions because there are always uncertainties - but this time they did because the felt the problems we face are huge and imminent.

IPCC reports must be unanimous - there can be no dissenting voices or the reports are not released. And, the recent unanimous report they released is the most alarming report to date. Very alarming. The most important conclusion of that report is that we have only one or two decades left to take steps if we are to avoid a worldwide major disaster.

The report makes it clear that reducing emissions of CO_2 is necessary to stop - or even just to slow - the climate change that threatens us today. Other gases contribute to the problem, but they do not persist as long in the atmosphere. CO_2 is the big culprit and must be gotten under control.

Unfortunately, as of today, the people of the world have done little to reduce emissions of ANY greenhouse gases. The IPCC says that we could be headed for very bad times - not in 100s of years, but in just a decade or two, if we do not take action soon.

What sort of problems are we talking about? Consider, for example, that the southern part of Manhattan, New York, has flooded twice in recent years. Shoreline communities in New Jersey, the Carolinas and Florida have suffered equally. Many experts predict that people will soon have to relocate to other places. Or, think about weather extremes - we are seeing more intense hurricanes, tornados, and other storms today compared with the past. We are also seeing more wildfires that destroy homes and claim lives. We are seeing more times of droughts and also of floods. All of these problems will become much worse if we do not take action.

The IPCC says that even if we greatly decrease greenhouse gas emissions immediately there could be as many as 200 million climate refugees within the next two decades. If we do nothing, the number will be much greater.

These are scary times.

Today, burning fossil fuels accounts for most of the greenhouse gases added to the atmosphere every year. Driving a gasoline powered car produces carbon dioxide. A lot of carbon dioxide. Every gallon that is burned releases more than 20 pounds of CO_2. And, in the United States today, the average car emits about 6 tons of CO_2 every year. It is absolutely essential that we decrease this if we are to have any hope of

getting climate change under control.

One easy and achievable way to reduce CO_2 emissions from vehicles is to switch to driving electric vehicles and hybrids. Not only will this reduce emissions, it will save money. So, we should be doing all we can to encourage more people to switch from standard cars and trucks to driving the less polluting alternatives. Unfortunately, SB2061 does the opposite.

Legislation similar to SB2061 has been introduced in other states. And, I checked to see where it originated. In many cases, the bills were introduced by organizations funded by the Koch Brothers or by petroleum companies who want to keep hybrids and electric cars from becoming popular. That is what this kind of legislation can do. That is why it should be abandoned.

This legislation is also flawed in other ways. The sponsors say it is a way to raise money for road construction and maintenance. But, it is not a very good way to do that. There are very few electric vehicles and hybrids in our state, so the amount of money raised will be very small. At the same time, this bill will require more bureaucracy, accounting and regulations – and more work for already busy for government agencies.

If more money is needed to maintain and build roads, a much better idea would be to charge a fee for <u>all</u> vehicles in the state. Just a small fee could generate a great deal of money. There are about 245,000 cars in our state. Even a relative modest fee would add up to significant revenue.

Finally, here is something for you to consider: I think that if we really want to address the problem of climate change, we need to find meaningful ways to encourage people to drive less polluting cars. We should do this. So, we should do just about the opposite of what this bill proposes. Instead of taxing people for being good, responsible, citizens, why not reward them? Or, alternatively, or perhaps in addition to doing that, let's charge fees for people who drive large gas guzzling vehicles. For the good of everyone, it makes a lot of sense.

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Title.

Prepared by the Legislative Council staff for
Representative D. Ruby
February 28, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2061

Page 1, line 7, after "**and**" insert "**plug-in**"

Page 1, line 13, after "A" insert "plug-in"

Page 1, line 13, after "each" insert "plug-in"

Page 1, after line 13, insert:

"c. An electric motorcycle road use fee of twenty dollars for each electric motorcycle registered."

Page 1, line 15, after "a." insert: ""Electric motorcycle" means a motor vehicle that has a seat or saddle for the use of the rider, is designed to travel on not more than three wheels in contact with the ground, and is propelled by an electric motor powered by a battery or other electric device incorporated into the vehicle and not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

b."

Page 1, line 19, replace "b. "Hybrid" with:

"c. "Plug-in hybrid"

Page 1, line 20, remove "employing a regenerative"

Page 1, remove line 21

Page 1, line 22, replace "providing propulsion energy" with "a receptacle to accept grid electricity"

Renumber accordingly

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Sixty-sixth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2061

Introduced by

Senators Kreun, Schaible, Wardner

Representatives Owens, Steiner, Delzer

A BILL for an Act to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to a road use fee for electric and hybrid vehicles; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Electric and plug-in hybrid vehicle road use fee - Definitions.

1. In addition to all other fees required under this chapter for registration of a motor vehicle, the department shall collect at the beginning of each annual registration period:
   a. An electric vehicle road use fee of one hundred ten dollars for each electric vehicle registered.
   b. A plug-in hybrid vehicle road use fee of fifty dollars for each plug-in hybrid vehicle registered.
   c. An electric motorcycle road use fee of twenty dollars for each electric motorcycle registered.
2. As used in this section:
   a. "Electric motorcycle" means a motor vehicle that has a seat or saddle for the use of the rider, is designed to travel on not more than three wheels in contact with the ground, and is propelled by an electric motor powered by a battery or other electric device incorporated into the vehicle and not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

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b. "Electric vehicle" means a vehicle propelled by an electric motor powered by a battery or other electric device incorporated into the vehicle and not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

~~b. "Hybrid~~

c. "Plug-in hybrid vehicle" means a vehicle drawing propulsion energy from both an internal combustion engine and an energy storage device and ~~employing a regenerative braking system to recover waste energy to charge the energy storage device providing propulsion energy~~a receptacle to accept grid electricity.

3. The department shall deposit any moneys collected under this section into the highway tax distribution fund.

SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK. During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure to support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the Sixty-seventh Legislative Assembly.