



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 446: Electric/Hybrid Vehicle Registration Fees.

2019-2020 General Assembly

Committee:	Senate Transportation. If favorable, re-refer to Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	April 10, 2019
Introduced by:	Sens. J. Davis, McInnis	Prepared by:	Wendy Ray Staff Attorney
Analysis of:	First Edition		

OVERVIEW: Senate Bill 446 would increase registration fees for electric vehicles and hybrid vehicles as follows:

- Increase the existing add on registration fee for electric vehicles from \$130 to \$175 beginning January 1, 2020, to \$225 beginning January 1, 2021, and to \$275 beginning January 1, 2022.
- Create an add on registration fee for hybrid vehicles of \$87.50 beginning January 1, 2020, and increasing the fee to \$112.50 beginning January 1, 2021, and to \$137.50 beginning January 1, 2022.
- Provide for an annual adjustment of both add on fees beginning in January 1, 2023, using the same formula used to adjust the motor fuel tax rate.

CURRENT LAW: The Division of Motor Vehicles collects annual registration fees for passenger vehicles, according to classifications set out in statute. The regular private passenger vehicle registration fee is currently \$36. Current law provides for an additional fee for the registration of a plug-in electric vehicle that operates solely on electric power. The additional fee is \$130 per year, making the annual registration fee for a regular passenger vehicle that operates solely on electric power \$166.

North Carolina motor vehicle law does not currently provide a definition for a hybrid motor vehicle. Nor does it provide any additional registration fees for hybrid vehicles. A hybrid vehicle is registered in the same manner as a motor vehicle propelled solely by motor fuel. The annual registration fee for a regular passenger vehicle that operates using a combination of motor fuel and electric power is \$36.

The motor fuel tax in North Carolina was modified to a formula-based rate beginning in January 1, 2018. The formula is based on the previous year's tax rate multiplied by a percentage. The percentage is 100% plus or minus the sum of 75% of population percentage change for the upcoming calendar year and 25% of the Consumer Price Index change, as determined in October for the upcoming calendar year. For 2019, the rate is 36.2 cents per gallon

BILL ANALYSIS: Senate Bill 446 would increase registration fees for electric and hybrid vehicles as follows:

Electric vehicles. For plug-in electric vehicles that operate solely on electric power, the current add on registration fee of \$130 would be increased to \$175 beginning on January 1, 2020. It would be increased to \$225 beginning on January 1, 2021. It would be increased to \$275 beginning on January 1, 2022. Beginning on January 1, 2023, and every year thereafter, it would be adjusted using the same formula currently used to adjust the motor fuel tax rate.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

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Hybrid vehicles. For hybrid vehicles, which would be defined in the bill as a vehicle that is capable of being propelled at least in part by electricity but is also capable of using motor fuel to propel the vehicle, the bill would provide for a new add on registration fee of \$87.50 beginning on January 1, 2020. It would be increased to \$112.50 beginning on January 1, 2021. It would be increased to \$137.50 beginning on January 1, 2022. Beginning on January 1, 2023, and every year thereafter, it would be adjusted using the same formula currently used to adjust the motor fuel tax rate.

EFFECTIVE DATE: The three increases to add on electric vehicle registration fees are effective on January 1, 2020, January 1, 2021, and January 1, 2022. The initial add on registration fee for hybrid vehicles is effective January 1, 2021, with increases effective January 1, 2021, and January 1, 2022. The remainder of the bill is effective January 1, 2020.