



IOWA HOUSE DEMOCRATS

BILL SUMMARY

HF 767 Electric Vehicles

Status of Bill: Ways and Means Calendar
Committee: Transportation (21-0) Ways and Means (24-0)
Research Analyst: Joe Gilde (515) 281-6970

Lead Democrat: Reps. Forbes, Isenhart
Floor Manager: Rep. Hinson

Background

As of September 2018, there were 800 Battery Electric Vehicles registered in Iowa, double from the previous year. Additionally, there are another 1,900 Plug-In Hybrid Electric Vehicles.

In light of the increasing use of these vehicles, the legislature directed the Iowa Department of Transportation (DOT) to estimate the impact of increased usage of electric, hybrid, and other high-efficiency motor vehicles on the future revenues to the road use tax fund. It also required the DOT to evaluate and recommend the creation of alternative funding mechanisms or the alteration of existing funding mechanisms to offset decreases in future revenues of the road use tax fund due to the increased use of electric, hybrid, and other high-efficiency motor vehicles. DOT produced recommendations with the goal no net change in revenue, equity and low administrative costs. HF 767 is based on the recommendations from the DOT report

Summary

HF 767 creates new registration fees for Electric and Hybrid Vehicles and a new excise tax on hydrogen and electric fuel.

Registration Fees

Battery electric vehicles are vehicles that have no internal combustion engine and are propelled exclusively by electricity. Under the bill, battery electric motors will now pay an additional registration fee of \$65 in 2020, increasing to \$130 dollars after January 1 2022.

Hybrid vehicles are equipped with electrical components but also have an internal combustion engine. Hybrid vehicles will now pay a \$32 fee beginning in 2020, increasing to a fee of \$65 dollars after January 1 2022.

Motorcycles that have a battery electric or hybrid motor will now pay an additional \$4.50 fee beginning in 2020 with the fee increasing to \$9 by January 1, 2022.

Excise Tax

A gallon of hydrogen is two and forty-nine pounds and will pay an excise tax of 65 cents per gallon. Vehicles using hydrogen fuel will have a special fuel sticker from the County Treasurer designating that the vehicle takes special fuel.

Electric fuel means electrical energy delivered or placed into a battery or other energy source outside the motor vehicle for purposes of propelling the motor vehicle. An excise tax of two and six-tenths cents per kilowatt hour of electric fuel delivered into the battery which will attach at the time of delivery. A person cannot sell or dispense electric fuel unless they hold an electric fuel license.