

Registration and Licensing Principles for PEVs

From 2010 to December 2016, consumers have purchased more than 550,000 plug-in electric vehicles (PEVs),¹ with sales expected to accelerate as new vehicle makes and models become available, such as the Chevy Bolt EV.² PEVs include battery-electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs). The BEVs are charged by electricity from the local grid, while PHEVs drive on electricity from the local grid first, then on gasoline for longer trips.

PEVs are fun to drive, have little to zero tailpipe emissions and can be powered with clean, affordable, domestic electricity. More and more drivers nationwide are making the switch to drive electric simply because PEVs are convenient and save consumers money.

As the national consumer voice for PEVs, Plug In America urges policymakers to adopt the below principles as part of any policy on registration and licensing for PEVs.

The Principles:

1. All PEVs must register with the appropriate state Department of Motor Vehicles.

Without a doubt, PEVs should not be exempt from registering the vehicle with the Department of Motor Vehicles (DMV). They utilize the same roads and must abide by the same motorist laws as other vehicles.

2. BEVs should be exempt from emissions testing, if required.

BEVs produce zero tailpipe emissions and should be exempt from emissions testing as part of any vehicle registration process, should the state require an emissions test. In fact, BEVs do not even have a tailpipe.

3. To encourage quicker adoption of these clean vehicles, BEVs and PHEVs should be required to pay registration fees and/or taxes only after there are a certain threshold of PEVs on the road.

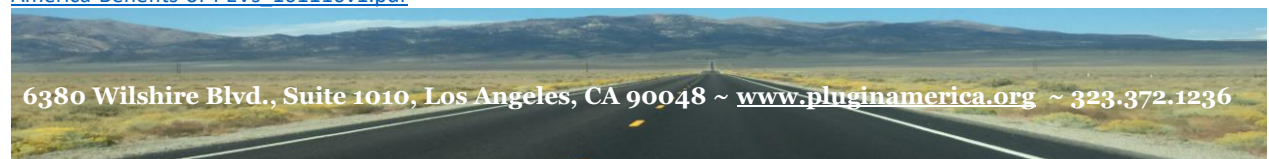
A registration fee and/or certain licensing taxes should not be implemented for PEVs until a certain pre-determined target number of PEVs are on the road in a state. There are a multitude of significant benefits from PEVs that accrue to all citizens, regardless of who may purchase the car or the type of PEV purchased.³ Until the PEV market moves beyond the early adopter stage and progresses into the mass market stage with hundreds of thousands of these clean vehicles on the road, policymakers should look to incentivize the purchase and registration of these vehicles in addition to other policies and programs, and exempt PEVs from the registration fees and/or licensing taxes. A reasonable target number of PEVs on the road could be when PEVs reach 5-10% of the total light-duty vehicles registered in the state.

Once the pre-determined target number of PEVs on the road in a state is met, the registration fee and/or

¹ Vehicle count based on HybridCars.com count of U.S. sales of 523,525 plug-in vehicles (BEVs, PHEVs) from December 2010 through the end of December 2016.

² More on the Chevy Bolt can be found at: <http://www.chevrolet.com/bolt-ev-electric-vehicle.html>

³ See the Plug In America factsheet on Benefits of PEVs: https://pluginamerica.org/wp-content/uploads/2016/11/Plug-In-America-Benefits-of-PEVs_161110v1.pdf



licensing tax should not be collected at the time of sale of the new vehicle and the first initial registration, but at the first registration renewal.

4. BEVs and PHEVs should be subject to the same basic registration fees as other vehicles in similar classes.

BEVs and PHEVs drive on the same roads that gas vehicles do. Therefore, they should pay the same fair, reasonable registration fee as other vehicles in similar classes do for the utilization of the roads and the natural wear and tear that will occur from the usage of the roads. For example, passenger BEVs and PHEVs should pay the same registration fee as passenger gas vehicles, and light-duty BEVs and PHEV trucks should pay the same registration fee as light-duty gas trucks.

PEVs should never be required to pay hefty gas taxes as part of any registration fee. Not only does this penalize the consumer for purchasing a cleaner vehicle, but also imposes a double tax on the consumer, as the consumer is already paying local and state taxes for the electricity used to charge the vehicle.⁴

5. Registration fees based on vehicle miles travelled better serve all citizens as all vehicles become more efficient and use less gas, therefore paying less gas tax that is used to maintain roads.

As the transportation sector changes with the acceleration of PEVs, ridesharing services and autonomous vehicles, a policy on vehicle miles travelled (VMT) should be adopted by the state. This VMT policy should then replace existing registration fees. The VMT policy should be kept simple and easy to understand. The criteria for determining the annual registration fee should be as follows: total electric miles driven and total gas miles driven.

In terms of the vehicle miles driven, more total electric miles driven should result in a lower overall registration fee compared to total gas miles driven. The final formula for VMT would therefore take into account the clean air quality benefits from PEVs. BEVs produce zero tailpipe emissions, and PHEVs produce less than their gasoline counterparts. The miles driven can easily be taken from the odometer on each vehicle, regardless if the vehicle is a BEV, PHEV or a gas vehicle. A VMT policy with these two main criteria will fairly assess registration fees based on which citizens are using the roads the most, and reward those citizens who are also providing clean air benefits by driving PEVs.⁵

⁴ For example, in Texas, additional taxes include a city sales tax and a miscellaneous gross receipts tax, among other charges: https://www.puc.texas.gov/consumer/electricity/bill_e.aspx Illinois electricity taxes include a state tax and a municipal tax, among other charges: http://www.citizensutilityboard.org/ciElectric_cubfacts_makingsense.html# These local, county and state taxes are applicable for electricity bills throughout the country.

⁵ California is currently performing a nine month pilot project with 5,000 drivers on a volunteer basis that studied a mileage fee versus a road-use charge as an alternative to a gas tax. Drivers make simulated payments of 1.8 cents per mile driven rather than pay 56 cents/gallon tax on gas used. See more at: <https://www.californiaroadchargepilot.com/> Washington, Oregon, Vermont and Minnesota have also recently completed VMT studies.

The weight of any vehicle that exceeds 10,000 pounds might also be a criteria to consider as part of the VMT formula. Vehicles above this weight limit are generally considered medium and heavy-duty vehicles, not light-duty passenger vehicles. The medium and heavy-duty vehicles, regardless if the vehicle is a PEV or not, will cause more road damage over time compared to lighter vehicles.

About Plug In America

Plug In America is the nation's leading independent consumer voice for accelerating the use of plug-in electric vehicles in the United States to consumers, policymakers, auto manufacturers and others. Formed as a non-profit in 2008, Plug In America provides practical, objective information collected from our coalition of plug-in vehicle drivers, through public outreach and education, policy work and a range of technical advisory services. Our expertise represents the world's deepest pool of experience of driving and living with plug-in vehicles. The organization conceived National Drive Electric Week and has advanced workplace charging by pioneering ride-and-drive events at such leading corporations as Google, Mattel and Paramount Pictures. We drive electric. You can too.

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