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S.271

Introduced by Senators Bray, Clarkson, Lyons, MacDonald, and Sirotkin

Referred to Committee on

Date:

Subject: Motor vehicles; electric vehicles; public service; taxation; registration
fees; parking; electric rate schedules

Statement of purpose of bill as introduced: This bill proposes to:

(1) exclude the first \$30,000.00 of the taxable cost of an all-electric
vehicle and the first \$15,000.00 of the taxable cost of a plug-in hybrid electric
vehicle from the motor vehicle purchase and use tax;

(2) impose a supplemental registration fee on plug-in electric vehicles
(EV) in an amount sufficient to account for motor fuel taxes and assessments
not paid for the operation of such vehicles, with fee proceeds to be allocated
between the Clean Energy Development Fund and the Transportation Fund;

(3) update laws related to regulating parking at State transportation
facilities to clarify the authority to designate spaces where only EVs are
authorized to park;

(4) clarify that owning or operating a charging station does not in and of
itself cause a person to be considered a utility subject to Public Utility
Commission jurisdiction; and

1 (5) authorize the establishment of and direct the Commission to conduct
2 an investigation into reduced rates for on-premise charging of EVs by electric
3 customers.

4 An act relating to electric vehicles

5 It is hereby enacted by the General Assembly of the State of Vermont:

6 * * * Motor Vehicle Purchase and Use Tax * * *

7 Sec. 1. 32 V.S.A. § 8903 is amended to read:

8 § 8903. TAX IMPOSED

9 (a)(1) There is hereby imposed upon the purchase in Vermont of a motor
10 vehicle by a resident a tax at the time of such purchase, payable as hereinafter
11 provided. ~~The~~ Except as otherwise provided in subdivision (3) of this
12 subsection, the amount of the tax shall be six percent of the taxable cost of a:

13 (A) pleasure car as defined in 23 V.S.A. § 4;

14 (B) motorcycle as defined in 23 V.S.A. § 4;

15 (C) motor home as defined in subdivision 8902(11) of this title; or

16 (D) vehicle weighing up to 10,099 pounds, registered pursuant to

17 23 V.S.A. § 367, other than a farm truck.

18 (2) For any other motor vehicle, it shall be six percent of the taxable cost
19 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
20 except that pleasure cars that are purchased, leased, or otherwise acquired for

1 use in short-term rentals shall be subject to taxation under subsection (d) of this
2 section.

3 (3)(A) For an all-electric vehicle, the tax shall be six percent of the
4 amount that the taxable cost exceeds \$30,000.00.

5 (B) For a plug-in hybrid electric vehicle, the tax shall be six percent
6 of the amount that the taxable cost exceeds \$15,000.00.

7 (b)(1) ~~There~~ Except as otherwise provided in subdivision (3) of this
8 subsection, there is hereby imposed upon the use within this State a tax of six
9 percent of the taxable cost of a:

10 (A) pleasure car as defined in 23 V.S.A. § 4;

11 (B) motorcycle as defined in 23 V.S.A. § 4;

12 (C) motor home as defined in subdivision 8902(11) of this title; or

13 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
14 23 V.S.A. § 367, other than a farm truck.

15 (2) For any other motor vehicle, it shall be six percent of the taxable cost
16 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
17 by a person at the time of first registering or transferring a registration to such
18 motor vehicle payable as hereinafter provided, except no use tax shall be
19 payable hereunder if the tax imposed by subsection (a) of this section has been
20 paid, or the vehicle is a pleasure car that was purchased, leased, or otherwise

1 acquired for use in short-term rentals, in which case the vehicle shall be subject
2 to taxation under subsection (d) of this section.

3 (3)(A) For an all-electric vehicle, the tax shall be six percent of the
4 amount that the taxable cost exceeds \$30,000.00.

5 (B) For a plug-in hybrid electric vehicle, the tax shall be six percent
6 of the amount that the taxable cost exceeds \$15,000.00.

7 * * *

8 * * * Supplemental Registration Fees for Plug-in Electric Vehicles * * *

9 Sec. 2. 23 V.S.A. § 361 is amended to read:

10 § 361. PLEASURE CARS; PLUG-IN ELECTRIC VEHICLES

11 (a) The annual fee for registration of any motor vehicle of the pleasure car
12 type, and all vehicles powered by electricity, shall be \$74.00, and the biennial
13 fee shall be \$136.00.

14 (b) In addition to the fees prescribed in subsection (a) of this section, plug-
15 in electric vehicles shall be subject to the following supplemental fees:

16 (1) hybrid plug-in: \$50.00 for an annual registration and \$100.00 for a
17 biennial registration.

18 (2) all-electric: \$100.00 for an annual registration and \$200.00 for a
19 biennial registration.

20 (c) Monies collected pursuant to subsection (b) of this section shall be
21 allocated as follows, with monies allocated to the Clean Energy Development

1 Fund (CEDF) established in 30 V.S.A. § 8015 to be reserved to support
2 electric vehicles and associated charging stations as directed in 30 V.S.A.

3 § 8015(c):

4 (1) for monies collected in fiscal year 2019, 80 percent to the CEDF and
5 20 percent to the Transportation Fund;

6 (2) for monies collected in fiscal year 2020, 70 percent to the CEDF and
7 30 percent to the Transportation Fund;

8 (3) for monies collected in fiscal year 2021, 60 percent to the CEDF and
9 40 percent to the Transportation Fund;

10 (4) for monies collected in fiscal year 2022, 50 percent to the CEDF and
11 50 percent to the Transportation Fund;

12 (5) for monies collected in fiscal year 2023, 40 percent to the CEDF and
13 60 percent to the Transportation Fund; and

14 (6) for monies collected in fiscal year 2024 and in subsequent fiscal
15 years, 30 percent to the CEDF and 70 percent to the Transportation Fund.

16 Sec. 3. 30 V.S.A. § 8015 is amended to read:

17 § 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

18 (a) Creation of Fund.

19 (1) There is established the Vermont Clean Energy Development Fund
20 to consist of each of the following:

1 benefit of Vermont consumers, primarily with respect to renewable energy
2 resources, and the use of combined heat and power technologies. The Fund
3 also may be used to support natural gas and electric vehicles in accordance
4 with subdivisions (d)(1)(K) and (L) of this section, respectively and, in the
5 case of funds from supplemental electric vehicle registration fees described in
6 subdivision (a)(1)(B) of this section, these funds shall be used exclusively to
7 support electric vehicles and associated charging stations in accordance with
8 subdivision (d)(1)(L). The General Assembly expects and intends that the
9 Public Utility Commission, Department of Public Service, and the State's
10 power and efficiency utilities will actively implement the authority granted in
11 this title to acquire all reasonably available cost-effective energy efficiency
12 resources for the benefit of Vermont ratepayers and the power system.

13 * * *

14 Sec. 4. 19 V.S.A. § 11 is amended to read:

15 § 11. TRANSPORTATION FUND

16 ~~The~~ Except as otherwise specifically provided by law, the Transportation
17 Fund shall comprise the following:

18 (1) all taxes, penalties, and fees received by the Commissioner of
19 Motor Vehicles except those relating to motorboats imposed under 23 V.S.A.
20 chapter 29 which shall be expended pursuant to 23 V.S.A. § 3319;

21 * * *

1 (b) No person shall enter or remain on any State highway facility for the
2 purpose of overnight camping unless the particular facility has been designated
3 for that purpose by the Traffic Committee.

4 (c)(1) On the basis of an engineering and traffic investigation or findings as
5 to adverse effects on the quiet enjoyment and property values of people living
6 adjacent to a State highway facility, the Traffic Committee may designate the
7 size and types of vehicles allowed to park in a State highway facility or in
8 particular areas of a State highway facility.

9 (2) In addition, the Secretary may prescribe that only plug-in electric
10 vehicles are permitted to park in designated areas of a State highway facility.

11 (d) Notice of the prohibitions or restrictions under this section shall be
12 posted at the affected facilities by regulatory signs conforming to the Manual
13 on Uniform Traffic Control Devices.

14 Sec. 7. 23 V.S.A. § 1008a is amended to read:

15 § 1008a. REGULATION OF MOTOR VEHICLES AT STATE AIRPORTS

16 (a)(1) The Secretary may adopt rules governing the operation, use, and
17 parking of motor vehicles on the grounds of State airports, including the
18 access roads.

19 (2) In addition, the Secretary may prescribe that only plug-in electric
20 vehicles are permitted to park in designated areas on such grounds.

1 **(b)** Signs indicating the ~~special regulations~~ rules or restrictions shall be
2 conspicuously posted in and near all areas affected.

3 * * * Charging Stations; Public Utility Commission Jurisdiction * * *

4 Sec. 8. 30 V.S.A. § 201 is amended to read:

5 § 201. DEFINITIONS

6 (a) As used in this chapter, the word “company” or “companies” means and
7 includes individuals, partnerships, associations, corporations, and
8 municipalities owning or conducting any public service business or property
9 used in connection therewith and covered by the provisions of this chapter.

10 **(1)** The term “company” or “companies” also includes electric
11 cooperatives organized and operating under chapter 81 of this title, the
12 Vermont Public Power Supply Authority to the extent not inconsistent with
13 chapter 84 of this title, and the Vermont Hydroelectric Power Authority to the
14 extent not inconsistent with chapter 90 of this title.

15 **(2)** In the context of actions requiring prior approval under section 107
16 of this title, the term “company” shall also mean any individual, partnership,
17 association, corporation, group, syndicate, operating division, joint stock
18 company, trust, other entity, or municipality which would be defined as a
19 company pursuant to this section if such approval were to be granted.

20 **(3)** The ownership or operation, or both, of a station that provides power
21 to motor vehicles or the provision of power to motor vehicles shall not, in and

1 of themselves, cause an individual or other entity to be a company within the
2 meaning of this subsection or to be subject to the jurisdiction of the Public
3 Utility Commission and the Department of Public Service.

4 * * *

5 * * * Rate Schedules for Customer Charging of Electric Vehicles * * *

6 Sec. 9. 30 V.S.A. § 218(h) is added to read:

7 (h) A company may propose and the Commission may approve or require
8 the adoption of a rate schedule under which a customer as defined in section
9 8002 of this title may charge a plug-in electric vehicle (EV) on the customer's
10 premises at a rate that is reduced from what the customer otherwise would pay
11 the company for consuming electric energy. The Commission shall provide
12 notice and opportunity for hearing prior to approving or requiring such a rate
13 schedule. The Commission may approve or require such a schedule after
14 finding all of the following:

15 (1) The schedule will provide benefits to the company's transmission or
16 distribution system, or both, such as increasing the efficient use of the system
17 through encouraging nighttime charging of EVs.

18 (2) The schedule will provide benefits to the ratepayers of the company
19 that outweigh any costs to those ratepayers.

1 (3) Implementation of the schedule will result in avoided environmental
2 and public health costs of greenhouse gas emissions and the amount of those
3 avoided costs exceeds the costs caused by the schedule and its implementation.

4 Sec. 10. INVESTIGATION; ELECTRIC VEHICLE RATE SCHEDULES

5 (a) On or before July 1, 2019, the Public Utility Commission shall open
6 and complete an investigation and issue a final order concerning the
7 establishment of rate schedules under which a customer may charge a plug-in
8 electric vehicle on the customer's premises (on-premise charging) at a rate that
9 is reduced from what the customer otherwise would pay the company for
10 consuming electric energy.

11 (1) Terms used in this section that are defined in 30 V.S.A. § 8002 shall
12 have the same meaning as in that statute.

13 (2) Parties to the investigation shall include the Department of Public
14 Service and the Vermont retail electricity providers.

15 (b) Issues addressed in the Commission's final order in this investigation
16 shall include:

17 (1) The potential existence and amount of economic benefit to the
18 Vermont transmission and distribution system that may be obtained from
19 encouraging on-premise charging.

1 (2) The environmental and public health costs that may be avoided
2 through encouraging on-premise charging, including the quantification of
3 those costs.

4 (3) The parameters of a rate schedule that would be needed to encourage
5 on-premise charging in a manner that captures the benefits and avoids the costs
6 described in subdivisions (1) and (2) of this subsection, respectively, and
7 otherwise avoids or reduces the imposition of costs on ratepayers who do not
8 engage in such charging.

9 (c) If, after consideration of the issues identified in subsection (b) of this
10 section, the Commission finds that reduced rate schedules for on-premise
11 charging should be instituted, the Commission's final order shall require each
12 Vermont retail electricity provider to submit, by a date certain, a proposed rate
13 schedule that complies with 30 V.S.A. § 218(h).

14 * * * Agency of Agriculture, Food and Markets; Weights and Measures;
15 Electric Vehicle Charging Stations; Inspection and Enforcement * * *

16 Sec. 11. 9 V.S.A. § 2651(14) is amended to read:

17 (14) "Weights and measures" means all weights and measures of every
18 kind, instruments and devices for weighing and measuring, and any appliances
19 and accessories associated with any or all such instruments and devices,
20 including meters for the measurement of electricity offered for sale at an
21 electric vehicle charging station, but not including meters for the measurement

1 of electricity, gas (natural or manufactured), or water when they are operated
2 in a public utility system. Such electricity, gas, and water meters are
3 specifically excluded from the purview of this chapter, and this chapter shall
4 not apply to such meters or to any appliances or accessories associated
5 therewith.

6 * * * Effective Date * * *

7 Sec. 12. EFFECTIVE DATE

8 This act shall take effect on July 1, 2018.