

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB117**

**Amendment Number: S1**

**Bill Subtitle: TO AMEND THE LAW CONCERNING THE REQUIREMENT THAT AN ADDITIONAL REGISTRATION FEE BE PAID FOR ELECTRIC AND HYBRID VEHICLES; AND TO REPEAL THE ADDITIONAL FEE FOR THE REGISTRATION OF HYBRID VEHICLES.**

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### **Basic Change :**

**Sponsors: Sens. M. Johnson, Caldwell, L. Chesterfield, A. Clark, Flippo, Hill, B. Johnson, Rapert, D. Sullivan  
Reps. J. Mayberry, Beaty Jr, Beck, Bentley, M. Berry, Brooks, Hawks, Lowery, Lundstrum**

**Senate Amendment 1** --- SB117 S-1 clarifies the definition of "electric vehicle" for purposes of the additional registration fee created by Act 416 of 2019. Specifically, for a vehicle to be considered an electric vehicle and subject to the \$200 additional registration fee, the vehicle must be solely propelled by one or more electric motors that are powered by a battery or other electrical device incorporated into the vehicle.

**Original Bill** --- Act 416 of 2019 created an additional registration fee of \$100 to be paid when a motor vehicle is a hybrid vehicle. Act 416 also created an additional registration fee of \$200 when the motor vehicle is an electric vehicle. The additional registration fees under Act 416 are in addition to any existing fees required to register a motor vehicle in the State of Arkansas. SB117 eliminates the \$100 additional fee that is required to register or renew the registration of a hybrid vehicle in the State of Arkansas.

### **Revenue Impact :**

**FY2022** - \$2.2 million reduction to the State Highway and Transportation Department Fund.

[ SB117 does not provide an effective date. Revenue impact assumes adjournment of General Assembly provided for July 1, 2021 effective date and is based upon 2020 DFA hybrid motor vehicle registrations. ]

### **Taxpayer Impact :**

Hybrid vehicle owners would no longer be required to pay the additional \$100 fee at time of initial registration or annual renewal.

### **Resources Required :**

Computer programing, manual updates and employee training. Cost estimate \$80,000.

### **Time Required :**

Adequate time is provided for implementation.

### **Procedural Changes :**

Computer programs and training manuals will need to be updated. Department employees and

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Revenue Office employees will need to be educated on changes.

**Other Comments :**

None.

**Legal Analysis :**

SB117 does not contain an effective date. Therefore, this bill would become effective 90 days following sine die adjournment.