



Seattle Electric Vehicle Association

and the Washington Electric Vehicle Advocacy PAC

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EV Agenda Tracking Sheet

week ending Feb. 6, 2015

Many thanks to all who wrote and traveled to testify in support of the six EV-related bills that the Legislature had hearings on this week. It appears clear that the infrastructure bank and sales tax exemption bills have a fair amount of both bipartisan support and bipartisan opposition. This week, many of our bills got Fiscal Notes, so I'll note major cost items of budget interest.

1) Extend the Clean Fuel Vehicle sales tax exemption past its current law July 1, 2015 expiration date.

- **HB 1925/ SB 5445** ~ NEW ~ Fiscal Note pegs the 2015-2017 biennium revenue loss at \$17.0 million plus \$79,000 in state agency costs for systems changes. Possible amendments may lower the price cap and expand the exemption to PHEVs. Governor-request legislation exempts the first \$60,000 of purchase price on a clean alternative fuel vehicle from state and local sales and use tax for another 10 years (July 1, 2025). Taxable amounts above that threshold would remain general purpose revenue. Current law defines clean alternative fuel vehicles as being *exclusively* powered by natural gas, propane, hydrogen, or electricity. Consequently, sales of plug-in hybrids (PHEVs), like the Chevy Volt, remain taxable.
 - **HB 1300/ SB 5358** ~ Exemption language from above also appears in the Governor's proposed Transportation Revenue Bill, Sections 401-404.
- **SB 5333** (Substitute version by sponsor) ~ NEW ~ Fiscal Note pegs the 2015-2017 General Fund revenue loss at \$16.4 million plus \$438,000 in state agency costs for systems changes and reporting. OFM projects that \$1.5 million would be deposited in the infrastructure bank in 2015-2017. Lead by Sen. Mullet, this EV caucus bill is a variation on the Governor's approach. It exempts the first \$45,000 of purchase price from state and local sales and use tax for another 6 years (July 1, 2021) and earmarks any taxes on amounts above that price to the new EV Infrastructure Bank for WSDOT public charging projects. Substitute version drops the additional earmark of EV registration fee funds.

2) Fund more public charging infrastructure, including highway fast charging.

- **WSDOT Budget** ~ **HB 1299/ SB 5360** ~ Proposed Transportation Budget (Section 215) features an additional \$1.5 million to WSDOT's Public Private Partnerships group for more highway fast charging (Level 3) stations. Administration proposal is to fill in two key gaps on I-5 north and south of Seattle and electrify I-90 to Spokane. Should fund about 9 new stations.
- **EV Infrastructure Bank** ~ Proposals to earmark one or more EV-related revenue streams to a new Infrastructure Bank to support public charging infrastructure. Program to be run by WSDOT.
 - **HB 1572/ SB 5444** ~ NEW ~ Fiscal Note shows agency costs around \$71,000 per biennium for implementation of the infrastructure bank projects. Governor-request legislation to create an EV Infrastructure Bank to 2013 (HB 1954, Section 601). Bank to exist through July 1, 2025. CONCERN: The bill requires projects funded by the bank to include Level 3 charging *and* either Level 1 or Level 2, which may preclude some good Level 2-only projects. SEVA would recommend striking this language and allowing WSDOT more flexibility to develop projects.

- [HB 1300](#) / [SB 5358](#) ~ Transportation Revenue bill does several things:
 - *Section 113* expands the \$100 EV fee to *all* plug-in electric vehicles (including plug-in hybrids) starting July 1, 2016 and earmarks this revenue to the Infrastructure Bank account until PEVs reach 0.5% of all vehicles registered in Washington. After this, the revenue goes back to general transportation purposes.
 - *Section 601* establishes the infrastructure bank using the same language as the stand-alone bills 1572/5444. Subject to same CONCERN.
- **Local Green Initiatives** ~ \$3.75 million for local government grants to support EV fleet deployment and/or charging infrastructure (among other topics like LED lights and energy efficiency). HB 1300 / SB 5358, Section 304 creates the Local Green Initiatives Account, and Section 201 transfers up to \$3.75 million in 2015-2017. HB 1299 / SB 5360, Section 213 (WSDOT Budget) appropriates the \$3.75 million.

3) Incentives / building code changes to support residential and commercial EV charging installation.

[HB 1929](#) / [SB 5446](#) ~ **NEW** ~ Fiscal Note is effectively \$0, with no State costs and non-zero but indeterminate local costs and/or savings. Governor-request legislation requires highway-adjacent cities and counties (I-5, I-90, I-405, and SR 520) to adopt incentives for building owners to install "rapid" charging in new and existing structures. Builds on existing law which says those jurisdictions "may" adopt such incentives. CONCERN: Current law is problematic in that it does not specify the meaning of "rapid" charging (Level 2?, Level 3?). This bill is problematic in that it does not require a minimum level of incentive. Presumably, \$1 of incentive would satisfy the law as drafted. There are also no consequences if jurisdictions do not comply or reporting. SEVA would recommend additional policy development to define terms and require a minimum level of effort and reporting at minimum. 2nd CONCERN. The bill also does not address the topic of amending building and/or electrical codes to require that new buildings be "EV ready" with conduit installed and appropriately sized electrical connections to support later installation of charging stations. SEVA would recommend adding a statewide "EV ready" requirement along the lines of building codes adopted in Palo Alto, California. **PUBLIC HEARING SCHEDULED House Committee on Local Government at 8:00 AM., Wednesday, 2/11/2015 at 8:00 AM.**

4) Bring the Zero Emission Vehicle (ZEV) mandate to Washington.

[HB 1487](#) / [SB 5423](#) ~ Fiscal Note shows \$252,000 in 2015-2017 in state agency implementation costs, mostly in the Department of Ecology. Says these costs were included in the Governor's Proposed budget. Ecology-request legislation to adopt California's ZEV mandate in Washington's Clean Air rules. California and several other states require that car makers deliver for sale a certain, rising percentage of ZEVs there in order to sell their other gas-burning cars in the state. As a result, California has a much wider variety of EV models available than Washington.



Other bills of note:

- **Electric motorcycle tax exemption and lower annual EV fee** ~ [SB 5357](#) ~ Fiscal Note shows \$39,000 in revenue loss due to the exemption in 2015-2017, plus \$350,000 in systems upgrade and reporting costs, mostly in the Dept. of Licensing. Most of this is one-time costs, with expenditures falling to \$43,000 and \$76,000 in subsequent biennia. This bill creates a new state and local sales and use tax exemption for the first \$45,000 sales price of motorcycles exclusively powered by a clean alternative fuel, which includes natural gas, propane, hydrogen, or electricity. It also lowers the current \$100 annual EV registration fee to \$25 for motorcycles in response to complaints that electric motorcycles are currently being overcharged, since their conventional gas counterparts would be unlikely to generate \$100 of gas tax revenue. (For example, at 60-70 mpg, even if a conventional motorcycle were driven 10,000 miles in a year, it would only generate \$54-\$63 in gas tax at current \$0.37 / gallon tax rates. Most motorcycles are driven far less.)
- **Commercial alternative fuel vehicle sales tax exemption, B&O tax credit, and utility tax credit** ~ [HB 1396](#) / [SB 5325](#) ~ NEW ~ Fiscal Note pegs the 2015-2017 biennium revenue loss to the Multimodal account at \$33.9 million plus \$395,000 in state agency costs for systems changes and reporting. This bill, with bipartisan sponsorship in both House and Senate, would exempt private businesses from three taxes on the purchase or conversion of commercial vehicles that run "principally" on a clean alternative fuel. The exemption would last 10 years (Jan 1, 2016 to 2026). Eligible fuel types include electricity, gasohol, hydrogen, hythane (a trademarked natural gas / hydrogen blend), methane, methanol, natural gas (including liquefied (LNG) or compressed (CNG)), or propane. "Commercial vehicle" is defined as any vehicle purchased by a private business that is used exclusively to transport various commodities and products (not passengers). Tax breaks include the following: All state and local sales and use tax (no price cap specified); and a B&O or public utility tax credit totaling the lesser of 15% purchase price or \$25,000 per vehicle, up to \$250,000 maximum per business per year and capped at \$6 million statewide per year. The Multimodal Transportation Account backfills the General Fund for all revenue losses associated with the three tax breaks above via an annual transfer into the General Fund.
- **EV Credits on Bridge/HOT Lane/Ferry Tolls** ~ [HB 1300](#) / [SB 5358](#) ~ Governor's Transportation Revenue bill (Section 201) allows up to \$4.166 million over the biennium to support credits for EV drivers, allowing them to save on bridge tolls, HOT lane tolls, and ferry rides. No specification on how much credit per EV will be given, but administration sources say it would total something like \$100 / EV / year. \$2.083 million (2015-2017) from the sustainability account to various bridge and toll accounts for cost of Good to Go EV credits. \$2.083 million (2015-2017) from the sustainability account to Puget Sound Ferries for cost of Wave 2 Go EV credits.
- **Give Electric Utilities I-937 Credit for EV Charging Infrastructure** ~ [SB 5735](#) ~ The bill would allow electric utilities to receive credit toward their I-937 renewable power requirements if they undertake certain carbon-reduction activities. Eligible approaches include installing EV charging infrastructure and other natural gas transportation infrastructure, various forms of electricity conservation, and carbon sequestration programs.
- **Allow Investor-Owned Electric Utilities to Earn a Regulated Return on Installed EV Infrastructure** ~ [HB 1853](#) ~ NEW ~ Fiscal Note \$51,000 in state agency costs at the Utilities and Transportation Commission for policy development and consultants. This bill would direct the Utilities and Transportation Commission to allow electric utilities to install EV infrastructure in homes and businesses with ratepayer dollars and earn a regulated return on the assets. **PUBLIC HEARING SCHEDULED House Committee on Technology & Economic Development at 10:00 AM, Tuesday, 2/10/2015.**



POSSIBLE
COMMITTEE
ACTION



UPCOMING
PUBLIC
HEARING

- END -