

1 AN ACT Relating to implementing a per mile charge on electric and
2 hybrid vehicles; adding a new section to chapter 46.17 RCW; creating
3 a new section; repealing RCW 46.17.324; providing an effective date;
4 and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that increasing the
7 rate of adoption of electric and hybrid vehicles is helping to reduce
8 harmful air pollution from exhaust emissions, including greenhouse
9 gas emissions, in the state. At the same time, the legislature also
10 finds that there is a need to ensure that the greater adoption of
11 electric and hybrid vehicles does not reduce funds to maintain and
12 improve transportation infrastructure and that there is a need for
13 fairness in how these funds are generated. The legislature also finds
14 that a road usage charge or per mile fee system appears to be a
15 viable method to ensure these goals are achieved. It is therefore the
16 legislature's intent to impose a per mile fee to mitigate the impact
17 of increased electric and hybrid vehicles on state roads and highways
18 and to allow further evaluation of the feasibility of transitioning
19 from a revenue collection system based on fuel taxes to a per mile
20 funding system.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.17

2 RCW to read as follows:

3 (1) By December 1, 2021, the department and the transportation
4 commission must collaborate to develop an implementation plan for
5 imposing a per mile fee on electric and hybrid vehicles pursuant to
6 subsection (3) of this section and that incorporates the ongoing work
7 of the transportation commission in evaluating a road usage charge.
8 The plan must include, but is not limited to:

9 (a) Different mileage reporting options;

10 (b) Recommended fee methods and rates for achieving cost
11 efficiency, fairness, minimal administrative cost, payment
12 compliance, consumer choice, and preserving individual privacy;

13 (c) Options for variable rates based on the factors listed in (b)
14 of this subsection and vehicle classifications of vehicles, ensuring
15 vehicles are paying for their proportional impact on road
16 preservation and maintenance costs, climate emission impacts, fuel
17 efficiency, or other policy levers that the legislature may want to
18 consider;

19 (d) Alternatives in the payment method to allow for monthly or
20 quarterly payment rather than payment on an annual basis;

21 (e) Any recommended statutory changes, including suggested
22 offsets or rebates to the per mile fee to recognize other taxes and
23 fees paid by electric and hybrid vehicle owners;

24 (f) Specific recommendations to better align the system with
25 other vehicle-related charges and potentially establish the framework
26 for broader implementation of a per mile funding system, including
27 analysis of the preferred method for addressing eighteenth amendment
28 restriction considerations; and

29 (g) A recommended implementation and governance structure, and
30 transition plan with the department as the designated lead agency to
31 operate and administer the per mile funding system.

32 (2) By January 1, 2024, the transportation commission shall
33 establish a per mile rate or rates for the vehicles listed in
34 subsection (3) of this section.

35 (3) Beginning July 1, 2024, the following vehicles will be
36 subject to a per mile fee:

37 (a) An electric or hybrid vehicle that uses at least one method
38 of propulsion that is capable of being reenergized by an external
39 source of electricity and is capable of traveling at least thirty
40 miles using only battery power;

1 (b) A vehicle that uses a hybrid electrical and internal
2 combustion engine; and

3 (c) A state-owned passenger or light duty truck fleet vehicle.

4 (4) (a) Before accepting an initial application or annual vehicle
5 registration renewal for a vehicle specified in subsection (3) of
6 this section, the department, county auditor, or other agent or
7 subagent appointed by the director must require the applicant to pay
8 a fee as specified in this section. This fee is in addition to all
9 other fees and taxes required by law.

10 (b) The rate of the per mile fee will be specified in subsequent
11 legislation informed by the implementation plan and recommend rate or
12 rates produced pursuant to subsection (2) of this section. In the
13 event that subsequent legislation specifying a rate or rates for the
14 vehicles specified in subsection (3) of this section is not enacted
15 by February 15, 2024, the rate or rates shall be based on the
16 specific recommendation produced pursuant to subsection (2) of this
17 section.

18 (5) This section only applies to a vehicle that is designed to
19 have the capability to drive at a speed of more than thirty-five
20 miles per hour.

21 (6) Proceeds from the fee must be used for preservation and
22 maintenance and must be deposited in the motor vehicle fund created
23 in RCW 46.68.070.

24 NEW SECTION. **Sec. 3.** RCW 46.17.324 (Transportation
25 electrification fee) and 2019 c 287 s 23 are each repealed.

26 NEW SECTION. **Sec. 4.** Section 3 of this act takes effect July 1,
27 2024.

28 NEW SECTION. **Sec. 5.** Sections 1 and 2 of this act are necessary
29 for the immediate preservation of the public peace, health, or
30 safety, or support of the state government and its existing public
31 institutions, and take effect immediately.

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