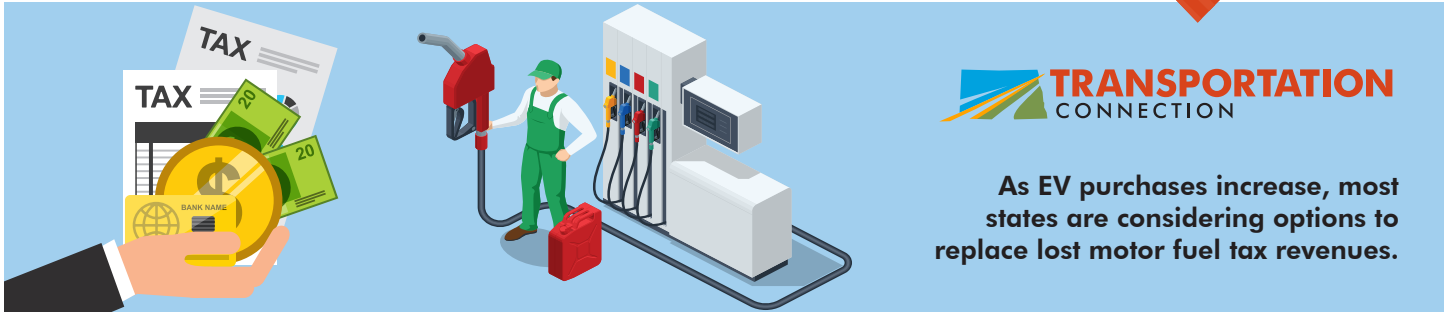


## WHAT OPTIONS DOES NORTH DAKOTA HAVE TO SUPPLEMENT THE LOSS IN MOTOR FUEL TAX?



As EV purchases increase, most states are considering options to replace lost motor fuel tax revenues.

### Implemented Fee Collection Approaches Throughout the U.S. in 2022

#### Mileage Based Fee

##### Oregon and Utah

OBD-II device, In-Vehicle Telematics, Annual odometer check (*can be visual inspection during registration or captured via smartphone*).

**Benefits:** Proportional to road usage. Captures actual EV driving.

**Drawbacks:** Does not capture out of state driving. Can be difficult/expensive to collect. Privacy concerns.

#### Electric Vehicle Registration Supplemental Fee

##### 31 States

Fee paid during vehicle registration.

**Benefits:** Easy to collect.

**Drawbacks:** May charge drivers more or less than actual vehicle use. Does not capture out of state driving.

#### Electric Vehicle Registration Fee By Weight

##### Oklahoma and Michigan

Fee paid during vehicle registration.

**Benefits:** Easy to collect. Fees determined by vehicle weight recognize the efficiency differences between lighter and heavier vehicles.

**Drawbacks:** May charge drivers more or less than actual vehicle use.

#### Electricity Fee (per kWh) For Public Chargers

##### Kentucky

Wholesale from EVSE provider.

**Benefits:** Captures out of state driving.

**Drawbacks:** Double taxation for in-state drivers who already pay registration fee. Only captures public charging, not private charging.

### Additional Fee Collection Approaches to Consider

Further EV fee approaches can be explored and customized to determine the best fit for North Dakota's priorities as EV adoption is anticipated to grow. Those options can be combined to provide flexibility. For example, Utah issues a supplemental registration fee for EV drivers but allows users to opt into a mileage-based fee that caps out at the original EV supplemental fee.

Depending on the fee structure, states may experience a net increase in revenue from their EV fees. Some states are using a portion of the EV supplemental funding for the deployment of electric vehicle infrastructure. This allocation has the potential to cover the 20% non-federal match in funding required for NEVI charging deployment projects. Alabama dedicates 25% of its EV fee revenue to the Rebuild Alabama Fund, which funds electric vehicle charging infrastructure until EV registrations exceed 4% of total vehicle registrations.



#### Peg Fees To Inflation

Inflation can erode the effectiveness of any fee or tax. Some states have pegged their EV fees to inflation, allowing an annual increase of the fee without annual legislation needed for the increase.



#### Fees Can Be Tiered

Many states have tiered fees for hybrids, plug-in hybrids, and full battery electric vehicles differently. This approach recognizes that fees are not "one size fits all" and can be adjusted as needed.



#### Approaches Can Be Combined

Approaches do not need to be a singular solution. North Dakota can explore a combination of approaches such as vehicle registration fees and consumption fees that are calibrated to replace any offset in motor fuel tax collection.

## Electric Vehicle Fees by State (2022)

Though flat supplemental registration fees are most common in the application, some states are exploring additional fee mechanisms based on miles traveled, vehicle weight, electricity consumption, etc. Data was obtained October, 2022 and may be subject to change.

BEV = Battery Electric Vehicle PHEV = Plug-In Electric Vehicle HEV = Hybrid Electric Vehicle AFV = Alternative Fuel Vehicle

	<b>Alabama</b> \$200 BEV \$100 PHEV Annual Fee		<b>Louisiana</b> \$110 BEV \$60 PHEV, HEV Annual Fee		<b>Oregon</b> \$110 EV Annual Fee
	<b>Arkansas</b> \$200 EV \$100 Hybrid EV Annual Fee		<b>Michigan</b> \$135 BEV <8,000 lbs. \$47.50 PHEV <8,000 lbs. \$235 BEV >8,000 lbs. \$117.50 >8,000 lbs. Annual Fee		<b>S. Carolina</b> \$120 AFV \$60 PHEV, HEV Biennial Fee
	<b>California</b> \$100 BEV Annual Fee		<b>Minnesota</b> \$75 BEV Annual Fee		<b>S. Dakota</b> \$50 BEV Annual Registration Fee
	<b>Colorado</b> \$50 BEV, PHEV Annual Fee		<b>Mississippi</b> \$150 BEV \$75 PHEV, HEV Annual Fee		<b>Tennessee</b> \$100 EV Annual Fee
	<b>Georgia</b> \$212.78 non-commercial AFVs Annual Fee		<b>Missouri</b> \$75 Passenger AFV \$37.50 PHEV Annual Fee		<b>Utah</b> \$90 BEV, AFV \$39 PHEV \$15 HEV Annual Consumer Indexed Fee
	<b>Hawaii</b> \$50 EV Annual Surcharge		<b>N. Carolina</b> \$130 BEV, PHEV Annual Fee		<b>Virginia</b> \$64 AFV (Non-Hybrid) Annual License Tax
	<b>Idaho</b> \$140 BEV \$75 PHEV Annual Fee		<b>N. Dakota</b> \$120 EV \$50 PHEV \$20 EV Motorcycle Annual Road Use Fee		<b>W. Virginia</b> \$200 EV \$100 PHEV, HEV Annual Fee
	<b>Illinois</b> \$100 EV Annual Fee		<b>Ohio</b> \$200 BEV, PHEV \$100 HEV Annual Fee		<b>Wisconsin</b> \$75 PHEV, HEV \$100 BEV Annual Fee
	<b>Indiana</b> \$150 BEV \$50 PHEV, HEV Annual Inflation-Indexed Fee		<b>Oklahoma</b> \$110/\$82 Under 6000 lbs. BEV/PHEV (Class 1) \$158/\$118 6000-10000 lbs. BEV/PHEV (Class 2) \$363/\$272 10000-26000 lbs. BEV/PHEV (Class 3-6) \$2250/\$1687 Over 26000 lbs. BEV/PHEV (Class 7-8) Annual License Fee by Weight		<b>Wyoming</b> \$200 BEV, PHEV Annual Fee
	<b>Iowa</b> \$65 BEV \$32 PHEV Annual Fee		<b>Washington</b> \$150 BEV \$75 PHEV, HEV Annual Fee		
	<b>Kansas</b> \$100 EV \$50 PHEV, HEV Annual Fee				