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Proposal to Add $200 Fee to Electric Vehicles Moves Forward

Utah Clean Energy cautions new draft bill will hurt a vital air quality tool

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Salt Lake City – January 25, 2018 – This morning an important legislative task force, Transportation Governance and Funding Task Force, voted to move forward a controversial proposal to add a new $200 fee for electric vehicles. The proposal is now a draft bill under consideration in the 2018 Utah Legislative Session.

Electric vehicles help make Utah’s air cleaner and protect public health. Nearly half (48%) of local air emissions come from mobile sources, primarily from passenger vehicles. Electric vehicles have dramatically lower (or zero) tailpipe emissions as compared to gasoline vehicles.

The draft bill would create significant new annual fees for electric vehicles and hybrid vehicles of $200 for electric vehicles (EVS) and $75 for hybrid vehicles. The thinking is that more fuel efficient vehicles pay lower/no gasoline tax, which is the primary source of revenue for the state transportation fund. Local clean energy advocacy group, Utah Clean Energy, has been following this proposal from the start, and view the fee as both premature and a significant step backward in air quality policy as it could prevent Utah families and businesses from choosing clean, electric vehicles by making EV’s even more costly. Given that EVs currently make up only a miniscule portion of overall transportation (representing less than 1% of vehicles on the road), adding a fee now will undermine this emerging market, and significantly hurt an affordable air quality tool for Utahns. Now is the time to bolster clean energy technologies rather than adopting premature new fees.

Kevin Emerson, Utah Clean Energy’s Energy Efficiency Program Director, is available for interview via phone or live at the Utah Clean Energy office. He can provide detailed background on the issue, and possible alternatives to this proposal.

Background
· Proposed Fees for Electric Vehicles: The draft bill proposes a new annual fee of $200 for electric vehicles and $75 for hybrid vehicles. This equates to an electric vehicle paying about $150 in annual gas taxes/year. This is similar to what a Ford F-150 truck pays in annual gas taxes at $185/year and more than what a Toyota Camry pays at around $126/year.
· Electric Vehicles Have Significant Air Quality Benefits: Electric vehicles have dramatically lower - or zero - tailpipe emissions and have a major role to play in improving Utah’s air quality and keeping our economy growing.
· Electric Vehicle Adoption Remains Low: Electric vehicles represent less than 1 percent of the
total number of registered passenger vehicles in Utah, making EVs a very small overall portion of our vehicle fleet.

- **Electric Vehicle Fees Could Inhibit Adoption**: Now is not the time to put new fees on these clean vehicles. Such a fee is premature and could prevent Utah families and businesses from choosing clean electric vehicles. Other states, such as Georgia, that have adopted substantial new annual fees for electric vehicles have seen adoption rates for these clean vehicles drop significantly.