

The effective date of SB 183 is January 1, 2025.

FISCAL IMPLICATIONS

SB 183 would distribute to the State Road Fund about \$810 thousand in FY 2025, \$2,600 thousand in FY 2026, and \$4,060 thousand in FY 2027.

SB 183 would also distribute to the Transportation Project Fund about \$240 thousand in FY 2025, about \$780 thousand in FY 2026, and about \$1,210 thousand in FY 2027.

About 82% of this revenue is attributable to the \$120 additional fee imposed by SB 183 on BEVs, and the remaining 18% is attributable to the \$60 additional fee imposed on PHEVs.

The analysis does not account for the possibility that those who will register an electric vehicle or renew a registration for an electric vehicle in calendar year 2024, might register the vehicle for a two-year term in order to avoid the new additional registration fee that will take effect on January 1, 2025. The analysis also assumes that the additional registration fee will apply to all available PHEV models.

The table below reports the number of BEVs and PHEVs currently registered in New Mexico and estimates for the following years.

Table: Number of light electric and plug-in hybrid electric vehicles registered in New Mexico as of June 30, 2023

Fiscal Year	BEV	PHEV
2023*	6,917	5,028
2024	9,966	6,100
2025	13,907	7,465
2026	22,896	10,507
2027	36,681	14,575

*Values are stock of non-commercial vehicles weighing no more than 26,000 lbs., registered in New Mexico as of June 30, 2023. The numbers were derived from the Motor Vehicle Division (MVD) data extract of all vehicles registered in New Mexico. The Vehicle Identification Number (VIN) information of the registered vehicles in the MVD data extract was decoded using the National Highway Traffic Safety Administration (NHTSA) Product Information Catalog Vehicle Listing (vPIC) Application Programming Interface (API) to accurately classify the registered vehicles according to their electrification level.

The forecast is a weighted average of three different forecasts. The first forecast uses the Energy Information Administration's (EIA) Annual Energy Outlook 2023 forecast of the national vehicle stock of three types of BEVs (100 mile, 200 mile and 300 mile BEVs), two types of PHEVs (Plug-in 20 mile and Plug-in 50 mile, and all gasoline and diesel hybrid-electric vehicles (HEVs). An average of the growth in the three types of BEVs is taken to arrive at the growth rate in BEV stock for the United States. Similarly, the average of the growth in the two types of PHEVs is taken to arrive at the growth rate for PHEV stock in the United States. EIA's forecast for the reference case scenario, as well as the low economic growth scenario and the high oil price scenario are used.

The second forecast uses Vector Auto-Regressive regression of New Mexico BEV, PHEV, HEV sales against sales in neighboring states that are similar to New Mexico (such as Colorado and Idaho) and the exogenous variables - real consumer spending motor vehicles (CDMVR) and price of gasoline (PRMGA) - from S&P Global's September 2023 forecast. State sales data are from the

Alliance for Automotive Innovation (<https://www.autosinnovate.org/resources/electric-vehicle-sales-dashboard>).

For the third forecast, the count of EVs derived from MVD registration data is grown at the average growth rate derived from the Alternative Fuels Data Center's count of EVs in New Mexico from 2016 to 2022. ACCII adjustment: Growth rates for BEVs and PHEVs in the 2nd and 3rd models were adjusted in FYs 2026, 2027 and 2028 to account for increased EV sales attributable to ACCII standards. Adjustments were based on expected EV sales provided by New Mexico Environment Department.

The analysis assumes that the additional registration fees on PHEVs will apply to all available PHEVs, and not only those with an all-electric range of forty miles (see technical issues below).

SIGNIFICANT ISSUES

None identified.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

None identified.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 183 conflicts with SB 8 and SB 105, both of which add additional registration fees for electric vehicles.

TECHNICAL ISSUES

Currently SB 183 applies to PHEVs with an all-electric range of forty miles; however, the average all-electric range of PHEVs currently available is about twenty-nine miles. Approximately 20% of available PHEV models have an all-electric range of forty miles or greater. This means a significant portion of PHEVs currently available will not be eligible for the additional PHEV registration fee.

OTHER SUBSTANTIVE ISSUES

Owners of PHEVs and BEVs, due to the enormous fuel savings afforded by those vehicles, do not adequately contribute to the construction, maintenance and improvement of public roads and highways fuel via taxes in the same way as gasoline vehicle owners do. As the number of PHEVs and BEVs increase on the roads of New Mexico, funding from fuel taxes will grow increasingly inadequate for the necessary maintenance and improvement of New Mexico's roads and highways. The additional annual fees proposed in SB 183 introduce this mechanism.

As shown in the attached charts, several other states have moved in this direction: Thirty-five states impose an additional annual fee on BEVs, and twenty-five states impose an additional fee on PHEVs.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Owners of PHEVs and BEVs will continue to not contribute to the construction, maintenance and improvement of public roads and highways, in the same way as gasoline vehicle owners do via fuel taxes.

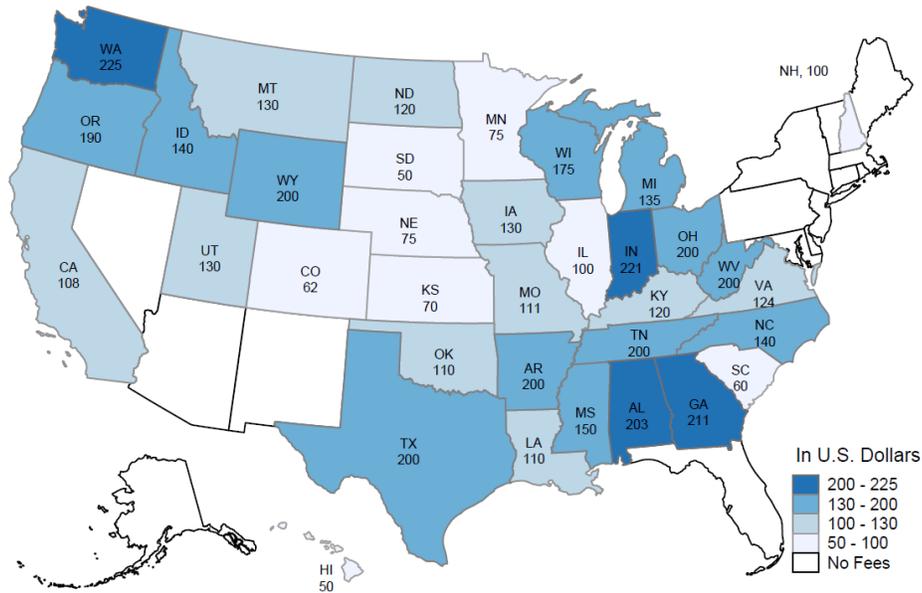
AMENDMENTS

None identified.

Attachments

Additional Registration Fees Imposed on Battery Electric Vehicles*

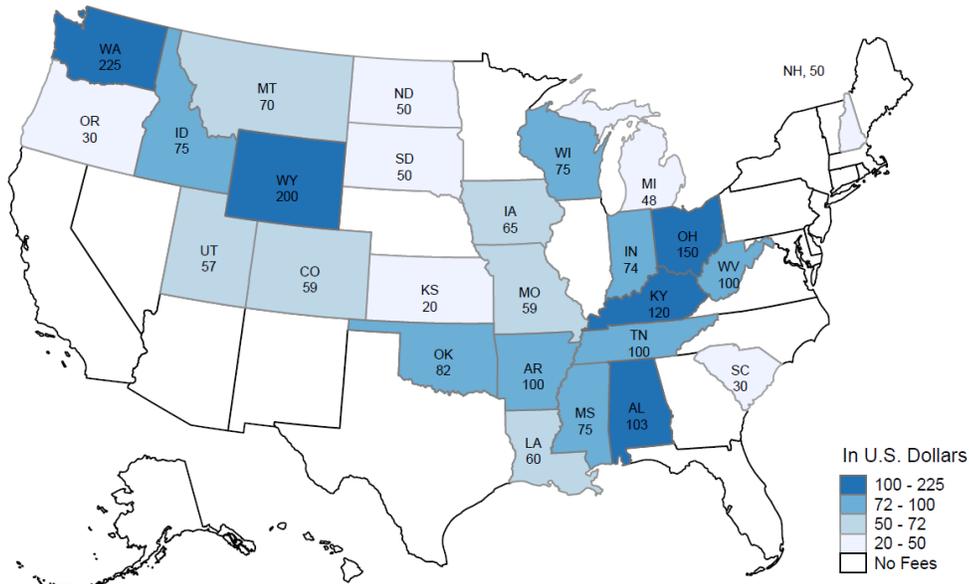
Effective Jan 1, 2024



*Battery electric vehicles (BEVs) run exclusively on electric fuel. Average additional fees on BEVs imposed by 35 states is \$138. Exception: Some states offer discounts for electric vehicles, such as CT and AZ (until 2023). Utah and Oregon offer a voluntary road usage charge (RUC) program instead of the BEV registration fee. Under Oregon's OReGO, BEV owners pay a registration fee of \$86 total as well as a RUC. Under Utah's RUC there is no additional registration fee. Source: NMDOT's elaboration using information from afdc.energy.gov and other online sources.

Additional Registration Fees Imposed on Plug-in Hybrid Electric Vehicles*

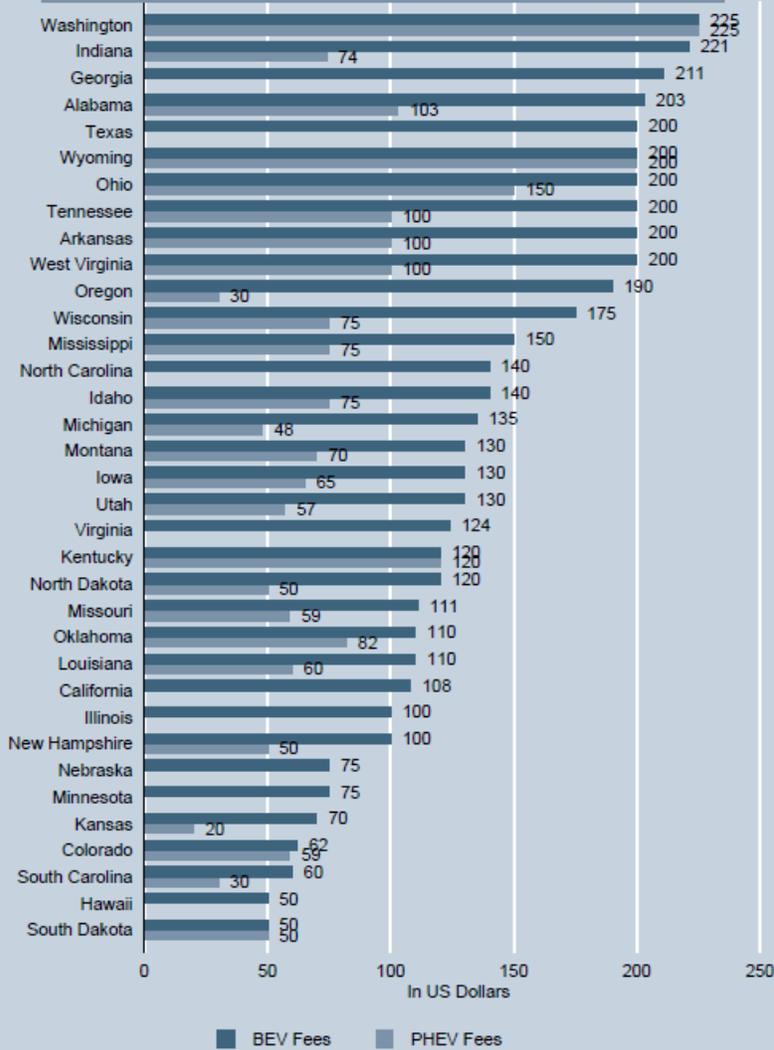
Effective Jan 1, 2024



*Plug-in Hybrid Electric Vehicles (PHEVs) run on either or both gasoline and electric fuel. Average additional fees on PHEVs imposed by 26 states is \$82. Exception: Some states offer discounts for electric vehicles, such as CT and AZ (until 2023). Utah and Oregon offer a voluntary road usage charge (RUC) program instead of the PHEV registration fee. Under Oregon's OReGO, PHEV owners pay a registration fee of \$86 total as well as a RUC. Under Utah's RUC there is no additional registration fee. Source: NMDOT's elaboration using information from afdc.energy.gov and other online sources.

Additional Registration Fees on BEVs and PHEVs* (Effective Jan 1, 2024)

Among the 35 states that impose additional fees on BEVs, the average fee is \$138.
Among the 26 states that impose additional fees on PHEVs, the average fee is \$82.



*Battery Electric Vehicles (BEVs) run exclusively on electric fuel.

*Plug-in Hybrid Electric Vehicles (PHEVs) run on either or both gasoline and electric fuel.

Some states index these fees to account for inflation (e.g. Indiana), others adjust them based on the annual increase/decrease in average fuel efficiency of vehicles (e.g. Georgia), and some adjust them based on the change in state gasoline tax rates (e.g. Michigan).

Exception: Some states offer discounts for Electric Vehicles Such as CT and AZ (until 2023).

Utah and Oregon offer a voluntary road usage charge (RUC) program instead of the PHEV/BEV registration fee.

Under Oregon's OReGO, PHEV/BEV owners pay a registration fee of \$86 total as well as a RUC.

Under Utah's RUC there is no additional registration fee.

Source: NMDOT's elaboration using information from afdc.energy.gov and other online sources.