

HOUSE JOINT RESOLUTION NO. 8

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF ELECTRIC VEHICLE FEES AND TAXATION AND OTHER FEES AND TAXATION RELATED TO THE FUNDING OF ROAD AND HIGHWAY CONSTRUCTION AND MAINTENANCE FOR THE PURPOSE OF ASSESSING FAIRNESS AND ADEQUACY OF TRANSPORTATION INFRASTRUCTURE FUNDING STREAMS; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 70TH LEGISLATURE.

WHEREAS, motor fuel taxes have historically been the primary mechanism for funding public road infrastructure on the federal level, and a substantial road funding mechanism for state governments; and

WHEREAS, over recent decades, motor-fuel tax revenues have failed to keep pace with road spending in the face of inflation, stagnant fuel tax rates, fuel economy improvements, and slowing growth in vehicle-miles traveled, creating a growing gap in transportation infrastructure funding; and

WHEREAS, plug-in hybrid and fully electric vehicles made up approximately 0.5% of Montana vehicle registrations in 2022, ~~contributing only marginally to this much larger funding gap constituting a small~~ percentage of vehicles subject to highway taxes and fees; and

WHEREAS, despite the ~~marginal-limited~~ impact of electric vehicles on highway revenue to date, ~~and likely for some years into the future~~, many states, including Montana, have turned to fees and taxation for electric vehicles ~~to try to make up the road funding shortfall as an additional revenue stream for road infrastructure funding~~; and

WHEREAS, the Montana Legislature passed a series of bills that levied additional registration fees for electrical vehicles and taxes for public charging stations, but has not conducted a robust study of the impact of

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those changes and how they compare to fees and taxes for internal combustion engine vehicles; and

WHEREAS, Montana charges ~~an additional registration fee for electric vehicles~~ electric vehicle and plug-in hybrid electric vehicle owners a dedicated electric vehicle registration fee on top of standard registration fees in addition to taxing energy usage at public electric vehicle charging stations, and it would be prudent to compare those annual fees and taxes to those paid by the average internal combustion engine vehicle owner; and

~~WHEREAS, these charges amount to an annual charge to Montana electric vehicle owners that exceeds annual fuel tax charges for the average internal combustion engine vehicle owner by \$152.46;~~

~~WHEREAS, while penalizing electric vehicle owners, this extra fee and taxation do not address the root cause of the road funding deficit, nor do they make up the gap by any significant margin;~~

WHEREAS, analyses have shown that the average electric vehicle owner now pays significantly more in fees and taxes than the average owner of an internal combustion engine vehicle, but there likely remains a significant road funding deficit; and

WHEREAS, while all drivers should pay their fair share to fund roads, current ~~policies may be taxing electric vehicle owners unfairly compared to owners of high-efficiency gas-powered vehicles~~ tax and fee structures should be evaluated for fairness and to ensure adequate funding of highway and road maintenance; and

WHEREAS, other road funding policies should be explored that fairly share the responsibility for funding roads, including road use charges, taxes on commercial road use, tolls, and general revenues.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee to examine the current system of electric vehicle registration fees and charging station taxation, along with other fee and tax structures used to fund transportation infrastructure, to identify current deficiencies and inequities in transportation infrastructure funding and to recommend improvements. The committee shall:

(1) compare ~~and determine the fairness of~~ registration fees and taxation methods and associated annual average payments for high-efficiency electric vehicles and internal combustion engine light vehicles;

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1 (2) review other states' tax and fee structures for electric vehicles and internal combustion engine
2 light vehicles along with other methods of funding transportation infrastructure and determine the effectiveness
3 of these structures; and

4 (3) design a an equitable taxation system for high-efficiency light vehicles of all fuel types that ~~is~~
5 ~~equitable and nondiscriminatory and that will fairly represents road use and make other funding~~
6 recommendations to address the road funding gap over time.

7 BE IT FURTHER RESOLVED, that the committee be directed to appoint a subcommittee, pursuant to
8 section 5-5-211(7), MCA, to undertake the study for the purpose of including nonlegislative members in the
9 study process. Members of the subcommittee must include a representative of the Department of
10 Transportation, an economist, high-efficiency electric vehicles and internal combustion light vehicle owners, and
11 a consumer advocate.

12 BE IT FURTHER RESOLVED that all aspects of the study, including presentation and review
13 requirements, be concluded prior to September 15, 2026.

14 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
15 comments or recommendations of the appropriate committee, be reported to the 70th Legislature.

16 - END -