

STATEMENT OF PURPOSE

RS26059

This legislation serves as a pilot project that supports the adoption of alternative fuel vehicles in the State of Idaho. Expanding the adoption of Natural Gas, propane or electrically propelled and other alternative fuel vehicles allows Idahoans to consume Idaho-produced fuels, helping to reduce Idaho's current reliance on imported transportation fuels. This legislation may also encourage automobile manufacturers to deliver more vehicles to Idaho to be sold by Idaho dealers, in turn spurring the Idaho economy.

This legislation also seeks to mitigate the issues surrounding non-attainment for air quality standards throughout Idaho. Alternatively fueled vehicles produce less particulates and nitrogen oxides that are a leading cause of Idaho's air quality challenges. This proposed legislation accomplishes all of this by adding a new section of code that allows purchasers of new vehicles, propelled by alternative fuels (compressed natural gas, liquid natural gas, propane or plug in electric) to pay 50% less sales tax, if the vehicle is originally registered in Idaho.

FISCAL NOTE

The estimated fiscal impact to the general fund for one year is \$317,161.00 based on estimated purchases in 2018.

This number could be reduced if companies and individuals who currently do not register their vehicles in Idaho, but do use Idaho roads decide to purchase and register their vehicles in Idaho. This would occur because buyers would receive a sales tax rebate on alternative fuel vehicles. This could bring additional revenue at 3% to the state as well as higher registration fee income.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).