

2021 Regular Session

HOUSE BILL NO. 615

BY REPRESENTATIVE FREIBERG

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/GASOLINE TAX: Adjusts the amount of excise tax levied on gasoline, diesel, and special fuels and levies new taxes on gasoline, diesel, special fuels, and electric and hybrid vehicles

1 AN ACT

2 To enact Part VI of Chapter 3 of Subtitle IV of Title 47 of the Louisiana Revised Statutes
3 of 1950, to be comprised of R.S. 47:2811, and R.S. 48:229.2 and 229.3, relative to
4 transportation projects; to provide for the funding of transportation projects; to levy
5 an excise tax on electric and hybrid motor vehicles; to provide for the rate of the
6 taxes; to provide for the collection and disposition of the proceeds; to provide for
7 certain definitions; to provide for the use of certain tax proceeds; to require certain
8 audits; to require online access of certain project information; to require the
9 establishment of a rural bridge repair and replacement program; to provide for
10 requirements and limitations; to provide for an effective date; and to provide for
11 related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. Part VI of Chapter 3 of Subtitle IV of Title 47 of the Louisiana Revised
14 Statutes of 1950, comprised of R.S. 47:2811, is hereby enacted to read as follows:

15 PART VI. TAX ON ELECTRIC VEHICLES

16 AND HYBRID VEHICLES

17 §2811. Imposition of tax; electric vehicles; hybrid vehicles; collection; use of
18 proceeds

19 A.(1) There is hereby levied a tax of four hundred dollars per year on each
20 electric vehicle which is operated upon the highways of this state and which is

1 required to be registered and to pay registration license tax in accordance with the
2 provisions of Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes
3 of 1950.

4 (2) There is hereby levied a tax of two hundred seventy-five dollars per year
5 on each hybrid vehicle which is operated upon the highways of this state and which
6 is required to be registered and to pay registration license tax in accordance with the
7 provisions of Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes
8 of 1950.

9 B. For purposes of this Section, the following terms shall have the following
10 meanings unless the context clearly indicates otherwise:

11 (1) "Electric vehicle" shall mean a vehicle which is powered by one or more
12 electric motors or energy stored in rechargeable batteries for propulsion.

13 (2) "Hybrid vehicle" shall mean a vehicle that uses gasoline, diesel fuel, or
14 special fuels in combination with an electric motor for propulsion.

15 C. The commissioner of motor vehicles shall collect the tax levied pursuant
16 to the provisions of this Section every two years at the same time and in the same
17 manner as the registration license tax pursuant to the provisions of R.S. 47:463.

18 D.(1) After compliance with the requirements of Article VII, Section 9(B)
19 of the Constitution of Louisiana relative to the Bond Security and Redemption Fund,
20 and prior to placing monies into the state general fund, the treasurer shall deposit an
21 amount equal to the avails of the tax levied pursuant to the provisions of this Section
22 into the Construction Subfund of the Transportation Trust Fund pursuant to the
23 requirements of Article 7, Section 27(B)(2) of the Constitution of Louisiana. The
24 Department of Transportation and Development shall utilize the avails of the taxes
25 levied pursuant to the provisions of this Section which are deposited into the
26 Construction Subfund as follows:

27 (a) Eighty percent of the avails shall be utilized on highway and bridge
28 preservation projects included in the Highway Priority Program in accordance with
29 the Department of Transportation and Development's definitions of such projects.

1 The total cost of a preservation project shall include the prorated cost associated with
2 third-party services required by the department to create, implement, and maintain
3 an online platform pursuant to the provisions of R.S. 48:229.2.

4 (b) Twenty percent of the avails shall be utilized on Highway Priority
5 Program projects classified as capacity projects in accordance with the Department
6 of Transportation and Development's definitions of such projects. The total cost of
7 a capacity project shall include the prorated cost associated with third-party services
8 required by the department to create, implement, and maintain an online platform
9 pursuant to the provisions of R.S. 48:229.2. The following mega projects shall be
10 prioritized by the secretary of the Department of Transportation and Development
11 and constructed based on the completion of each project's federally mandated
12 environmental process and requirements:

13 (i) Replacement of the I-10 Calcasieu River bridge and I-10 improvements
14 from the I-210 interchange west of the river to the I-210 interchange east of the river.

15 (ii) A new Mississippi River Bridge at Baton Rouge with freeway-level
16 connections from the interstate west of Baton Rouge to the interstate east of Baton
17 Rouge.

18 (iii) Upgrades to US 90 to interstate standards from the I-10 and I-49
19 interchange at Lafayette to New Orleans.

20 (iv) Widening of I-12 to six lanes and associated improvements where this
21 interstate is not yet upgraded from Baton Rouge to the Mississippi state line.

22 (v) A new, four lane Jimmie Davis Bridge on LA 511 across the Red River
23 in Shreveport-Bossier.

24 (vi) Widening to six lanes and associated improvements to I-20 at Monroe
25 from LA 546 to LA 594.

26 (vii) US 90, Port of New Orleans access improvements with improved and
27 maintained interstate lighting in New Orleans.

28 (viii) Alexandria-Pineville Beltway, Segments E, F, G, H, and I from LA 28
29 East to LA 28 West.

1 (2) Notwithstanding the allocation of the avails of the tax provided for in
2 Subparagraphs (1)(a) and (b) of this Subsection, the avails of the taxes levied
3 pursuant to the provisions of this Section shall be allocated to maximize the state's
4 share of federal funding for construction projects in each fiscal year.

5 (3) Nothing in this Section shall be construed to require a reduction in
6 funding for the Parish Transportation Fund, the Port Construction and Development
7 Priority Program, or the Statewide Flood Control Program below funding levels for
8 these programs appropriated in the FY 2020-2021 budget.

9 E.(1) No later than July 1, 2022, the legislative auditor shall commence a
10 comprehensive audit of the Department of Transportation and Development as
11 follows:

12 (a) To review the department's operations and organizational efficiency in
13 order to ensure that the department can perform all of its required operations and
14 functions within the funding provided for in R.S. 47:818.12.

15 (b) To review the department's use of the avails of the taxes deposited into
16 the Construction Subfund of the Transportation Trust Fund pursuant to the
17 provisions of Article VII, Section 27 of the Constitution of Louisiana.

18 (2) The legislative auditor shall present his findings and recommendations
19 no later than September 30, 2023, to the speaker of the House of Representatives and
20 the president of the Senate.

21 Section 2. R.S. 48:229.2 and 229.3 are hereby enacted to read as follows:

22 §229.2. Highway Priority Program project information; online public access

23 A. Each project in the Highway Priority Program shall have a designated
24 total cost which shall include a prorated cost associated with third-party services
25 required by the department to create, implement, and maintain an online platform no
26 later than January 1, 2022, through which the public shall have access to real-time
27 project information including, but not limited to the project's scope, cost, and time-
28 line for completion as well as all means of financing for the project. The platform

1 created and implemented by the department shall be developed in consultation with
2 the American Association of State Highway and Transportation Officials.

3 B. The department shall utilize targeted digital technologies to raise public
4 awareness of the online platform, to provide project updates to the public, and to
5 seek the public's input on projects.

6 §229.3. Preservation projects; rural bridge repair and replacement program; non-
7 interstate pavement preservation projects; prioritization; funding

8 The Department of Transportation and Development shall establish a rural
9 bridge repair and replacement program for bridge projects included in the Highway
10 Priority Program in order to preserve bridges located in rural areas of the state. In
11 establishing this program, the department shall prioritize bridge repair and
12 replacement projects which expand public and commercial access to rural
13 communities. Funding for this program shall be provided in accordance with the
14 provisions of R.S. 47:818.141(B)(1)(a).

15 Section 3. This Act may be referred to as the Government Reform in Transportation
16 Act of 2021.

17 Section 4. This Act shall become effective on July 1, 2022.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 615 Engrossed

2021 Regular Session

Freiberg

Abstract: Levies an annual tax on electric and hybrid vehicles and dedicates the avails of the new tax to the Construction Subfund of the Transportation Trust Fund.

Proposed law levies an annual tax of \$400 per year on each electric vehicle and an annual tax of \$275 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay registration license tax in accordance with present law. Further requires the commissioner of motor vehicles to collect the tax levied in proposed law every two years at the same time and in the same manner as the registration license tax pursuant to present law.

Proposed law defines "electric vehicle" as a vehicle powered by one or more electric motors or energy stored in rechargeable batteries for propulsion and defines "hybrid vehicle" as a vehicle that uses gasoline, diesel fuel, or special fuels in combination with an electric motor for propulsion.

Proposed law requires the avails of the annual taxes levied on electric and hybrid vehicles to be deposited into the Construction Subfund of the TTF pursuant to the requirements of present constitution. Further requires the Dept. of Transportation and Development (DOTD) to utilize the avails of the taxes levied pursuant to proposed law which are deposited into the Construction Subfund as follows:

- (1) 80% of the avails to be utilized on highway and bridge preservation projects included in the Highway Priority Program.
- (2) 20% of the avails to be utilized on Highway Priority Program projects classified as capacity projects.

Proposed law, with respect to capacity projects, requires the secretary to prioritize and construct the following mega projects based on the completion of each project's federally mandated environmental process and requirements:

- (1) Replacement of the I-10 Calcasieu River bridge and I-10 improvements from the I-210 interchange west of the river to the I-210 interchange east of the river.
- (2) A new Mississippi River Bridge at Baton Rouge with freeway-level connections from the interstate west of Baton Rouge to the interstate east of Baton Rouge.
- (3) Upgrades to US 90 to interstate standards from the I-10 and I-49 interchange at Lafayette to New Orleans.
- (4) Widening of I-12 to six lanes and associated improvements where this interstate is not yet upgraded from Baton Rouge to the Mississippi state line.
- (5) A new, four lane Jimmie Davis Bridge on LA 511 across the Red River in Shreveport-Bossier.
- (6) Widening to six lanes and associated improvements to I-20 at Monroe from LA 546 to LA 594.
- (7) US 90, Port of New Orleans access improvements with improved and maintained interstate lighting in New Orleans.
- (8) Alexandria-Pineville Beltway, Segments E, F, G, H, and I from LA 28 East to LA 28 West.

Proposed law requires, no later than Jan. 1, 2022, the total cost of projects in the Highway Priority Program to include the prorated cost associated with third-party services required by DOTD to create, implement, and maintain an online platform, through which the public will have access to real-time project information including the project's scope, cost, and time-line for completion as well as all means of financing for the project. Further requires the online platform to be developed in consultation with the American Association of State Highway and Transportation Officials.

Proposed law requires DOTD to utilize targeted digital technologies to raise public awareness of the online platform, to provide project updates to the public, and to seek the public's input on projects.

Proposed law requires the avails of the annual tax on electric and hybrid vehicles to be allocated to maximize the state's share of federal funding for construction projects in each fiscal year and prohibits a reduction in funding for the Parish Transportation Fund, the Port Construction and Development Priority Program, or the Statewide Flood Control Program below funding levels for these programs appropriated in the FY 2020-2021 budget.

Proposed law requires the legislative auditor to commence a comprehensive audit of DOTD no later than July 1, 2022, to review the department's operations and organizational efficiency to ensure that DOTD can perform all of its required operations and functions within the funding provided for in present and proposed law and to review DOTD's use of the avails of the taxes deposited into the Construction Subfund of the TTF. Further requires the auditor to present its findings and recommendations to the presiding officers of the House and Senate no later than Sept. 30, 2023.

Proposed law requires DOTD to establish a rural bridge repair and replacement program for bridge projects included in the Highway Priority Program. Further requires DOTD to prioritize bridge repair and replacement projects within the program to those which expand public and commercial access to rural communities. Funding for this program shall be provided from the proceeds of the annual tax on electric and hybrid vehicles.

Authorizes proposed law to be referred to as the Government Reform in Transportation Act of 2021.

Effective July 1, 2022.

(Adds R.S. 47:2811 and R.S. 48:229.2 and 229.3)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove provisions of proposed law that gradually decrease the existing per gallon tax on gasoline, diesel, and special fuels beginning July 1, 2021, through June 30, 2025, from 16¢ per gallon to 13¢ per gallon, and beginning July 1, 2025, from 13¢ per gallon to 12¢ per gallon.
2. Remove provisions of proposed law that levy a *new, additional tax* on gasoline, diesel, and special fuels the rate of which gradually increases over a period of 12 years beginning July 1, 2021, at 13¢ per net gallon or gallon equivalent to July 1, 2033, and thereafter at 26¢ per net gallon or gallon equivalent.
3. Change the allocation of the avails of the annual tax on electric and hybrid vehicles from 60% on highway and bridge preservation projects included in the Highway Priority Program and 40% on Highway Priority Program projects classified as capacity projects to 80% on highway and bridge preservation projects included in the Highway Priority Program and 20% on Highway Priority Program projects classified as capacity projects.
4. Change the effective date from July 1, 2025, to July 1, 2022.