Bill as Introduced

HB 828-FN-A-LOCAL – AS INTRODUCED

2003 SESSION

03-0990
03/09

HOUSE BILL *828-FN-A-LOCAL*

AN ACT relative to alternative fuel vehicles.

SPONSORS: Rep. P. Sullivan, Hills 50

COMMITTEE: Ways and Means

ANALYSIS

This bill establishes an exemption from tolls for, tax credits for the purchase of, and reduced fees for municipal permits for registration of, certain hybrid vehicles.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 828-FN-A-LOCAL – AS INTRODUCED

03-0990
03/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to alternative fuel vehicles.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Paragraph; Business Profits Tax; Credits. Amend RSA 77-A:5 by inserting after paragraph XI the following new paragraph:

XII. There shall be an alternative fuel vehicle tax credit equal to 20 percent of the purchase price of any vehicle which has been certified as a Super Ultra Low Emission Vehicle by the California Air Resources Board and which is powered by a combination of an internal combustion gasoline engine and a nontraditional power source such as battery power, solar power, or other non-fossil-fuel source. The credit under this paragraph shall be allowed only in the taxable period during which the vehicle is purchased.

2 New Section; Alternative Fuel Vehicle Tax Credit. Amend RSA 77-E by inserting after section 3 the following new section:

77-E:3-a Alternative Fuel Vehicle Tax Credit. There shall be a credit allowed against the tax due under this chapter equal to 20 percent of the purchase price of any vehicle which has been certified as a Super Ultra Low Emission Vehicle by the California Air Resources Board and which is powered by a combination of an internal combustion gasoline engine and a nontraditional power source such as battery power, solar power, or other non-fossil-fuel source. The credit under this section shall be allowed only in the taxable period during which the vehicle is purchased.

3 New Subparagraph; Exemption From Tolls; Alternative Fuel Vehicles. Amend RSA 237:12, I by inserting after subparagraph (d) the following new subparagraph:

(e) All vehicles which have been certified as Super Ultra Low Emission Vehicles by the California Air Resources Board and which are powered by a combination of an internal combustion gasoline engine and a nontraditional power source such as battery power, solar power, or other non-fossil-fuel source. The commissioner of the department of transportation shall issue an appropriate tag or decal for use by vehicles qualified under this subparagraph.

4 New Paragraph; Municipal Permits for Registration; Fees for Registration Permits; Reduction for Certain Vehicles. Amend RSA 261:153 by inserting after paragraph I the following new paragraph:

I-a. The fee collected under paragraph I shall be reduced by 1/3 for any vehicle which has been certified as a Super Ultra Low Emission Vehicle by the California Air Resources Board and which is powered by a combination of an internal combustion gasoline engine and a nontraditional power source such as battery power, solar power, or other non-fossil-fuel source.

5 Effective Date. This act shall take effect July 1, 2003.

LBAO
03-0990.0
1/28/03

HB 828-FN-A-LOCAL FISCAL NOTE

AN ACT relative to alternative fuel vehicles.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill at this time. When completed, the fiscal note will be forwarded to the House Clerk's Office.

HB 828-FN-A-LOCAL – AS AMENDED BY THE HOUSE

12mar03... 0483h

2003 SESSION

03-0990
03/09

HOUSE BILL ***828-FN-A-LOCAL***

AN ACT establishing a committee to study the effect of alternative transportation on state revenues.

SPONSORS: Rep. P. Sullivan, Hills 50

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill establishes a committee to study the effect of alternative transportation on state revenues.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 828-FN-A-LOCAL – AS AMENDED BY THE HOUSE

12mar03... 0483h

03-0990
03/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT establishing a committee to study the effect of alternative transportation on state revenues.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Committee Established. There is established a committee to study the effect of alternative transportation on state revenues.

2 Membership and Compensation.

I. The members of the committee shall be as follows:

(a) Three members of the house, at least one of whom shall be a member of the ways and means committee, and at least one of whom shall be a member of the public works and highways committee, appointed by speaker of the house of representatives.

(b) Three members of the senate, appointed by president of the senate.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

3 Duties. The committee shall:

I. Examine future revenues for the highway fund to replace road tolls as alternative fuel vehicles and hybrid vehicles become more common.

II. Examine the possibility of encouraging alternative fuel vehicles and hybrid vehicles.

4 Chairperson; Quorum. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named house member. The first meeting of the committee shall be held within 45 days of the effective date of this section. Four members of the committee shall constitute a quorum.

5 Report. The committee shall report its findings and any recommendations for proposed legislation to the speaker of the house of representatives, the president of the senate, the house clerk, the senate clerk, the governor, and the state library on or before November 1, 2003.

6 Effective Date. This act shall take effect upon its passage.

LBAO
03-0990
Revised 3/5/03

HB 828 FISCAL NOTE

AN ACT relative to alternative fuel vehicles.

FISCAL IMPACT:

The Departments of Revenue Administration and Transportation state this bill will decrease state revenues by an indeterminable amount in FY 2004 and each year thereafter. The New Hampshire Municipal Association states this bill will decrease local revenue by an indeterminable amount in FY 2004 and each year thereafter. There will be no fiscal impact on state, county and local expenditures or county revenue.

METHODOLOGY:

The Department of Revenue Administration states this bill will allow a Business Profits and Business Enterprise tax credit equal to 20% of the purchase price of a certified "Super Ultra Low Emission Vehicle" as defined by California law. The total credit could equal 40% of the purchase price of the vehicle. The Department could not predict the number of vehicles being sold that would qualify for this credit, and therefore, could not estimate the decrease in state revenue that would result. The decrease in revenue would impact both the general and education trust funds.

The Department of Transportation states this bill will allow qualified vehicles to be exempt from turnpike tolls. While the decrease in turnpike revenue is indeterminable, the Department made several assumptions and determined the decrease could range from $112,000 in FY 2004 to $963,000 in FY 2007.

The New Hampshire Municipal Association states this bill will allow qualified vehicles to be exempt from municipal vehicle registration fees. The Association could not estimate the number of vehicles being sold that would qualify for this credit, and therefore, could not estimate the decrease in local revenues that would result.

The Department of Safety states that this bill will not impact their Department.

Committee Minutes

Transportation Committee

Hearing Report

To:	Members of the Senate
From:	Liz Ignacio *Legislative Aide*
Re:	**HB 828-FN-A-LOCAL** – *AN ACT establishing a committee to study the effect of alternative transportation on state revenues.*
Hearing date:	April 23, 2003
Members present:	Sen. Kenney, Sen. Morse, Sen. Martel, Sen. Flanders
Members absent:	Sen. Below was in House Finance.

Sponsor(s): Rep. P. Sullivan, Hills 50

What the bill does: This bill establishes a committee to study the effect of alternative transportation on state revenues.

Who supports the bill: Representative Sullivan, Rebecca Ohler: Department of Environmental Services

Who opposes the bill: No spoke in opposition.

Summary of testimony received:

- HB 828 creates a study committee to look at studying alternative ways of funding our highway system and ensuring our tax structure doesn't create conflicts between worthy priorities.
- The real issue will be the impact hybrid and alternative fuel vehicles will have on the gas tax in the future.
- Prior to the House amendment, HB 828 created a tax credit against the BET for the purchase of alternative fuel hybrid vehicles.
- The bill was intended to encourage businesses to invest in vehicles which are more environmentally sound.
- Currently the state gas tax hinders any efforts for the state to move toward alternative vehicle use.
- The state may soon be placed in a position where what is good policy will conflict with what is good policy in terms of air and water quality.
- More and more auto manufacturers are developing hybrid vehicles. As that happens, their prices will come down and people will begin purchasing them in greater numbers. Less gas will be bought and sold and therefore the state will need to find alternate ways to raise revenues without the gas tax.

- The study committee will bring together parties to look at tax and funding systems that are both fiscally sound and environmentally sensible.
- Right now there's no incentive for the state to promote alternative fuel vehicles, only an incentive for the state to act in a manner that is environmentally irresponsible.
- If we begin the process of examining where we stand, we can start to find ways to work around future problems in a way that reflects the changing nature of transportation.
- According to the Energy Information Administration, by 2020 they expect hybrids and alternative fuel cars will make up about 12% of the vehicle market.
- The Department of Environmental Services would like to be a resource to the study committee because the issue has a great impact on the air quality in our state.
- Senator Flanders questioned Representative Sullivan if this situation would be straightened out with more competition rather than trying to use tax dollars to solve the problem.

Funding: Please see attached fiscal note.

Action: The committee exec'd on the bill ITL 3-1. Senator Martel will take it to the floor.

ei
Date: 5/2/03
[file: HB 828-FN-A-LOCAL report]

Date: April 23, 2003
Time: 3:30 p.m.
Room: 104 lob

The Senate Committee on Transportation held a hearing on the following:

HB 828-FN-A-L (New Title) establishing a committee to study the effect of alternative transportation on state revenues.

Members of Committee present:

Senator Martel
Senator Flanders
Senator Morse

The Chair, Senator Chuck Morse, opened the hearing.

Senator Chuck Morse, D. 22: We'll open the hearing on HB 828 and we have Rebecca Ohler from the Dept. of Environmental Services.

Rebecca Ohler: Mr. Chairman and members of the Committee thank you for giving me the opportunity to speak in support of HB 828. As the agency and the state that is responsible for insuring that our air pollution levels are below the Federal Health standards, we take great interest in pollution as related to vehicles. They are the major source of air pollution in our state. One of the many methods that we use to deal with air pollution is to try and encourage the use of advanced technologies to reduce fuel consumption and to encourage the use of alternative fuels which, for the most part, not all, for the most part, are cleaning burning than conventional gasoline in diesel engines.

The way this bill originally started in the House was simply a bill to provide incentives for the purchase of alternative fuel in hybrid vehicles. It became a study bill because of the potential for impact on state revenues. We do agree that it's a good idea to study this issue because that is the source of a lot of our highway funding. We'd like to encourage the Committee to pass this and get the Study Committee going so that we can determine what the impact is going to be and how to compensate for that so that we can also at the same time come up with some legislation to encourage the use of these vehicles.

We've done a little bit of research on some projections for alternative fuel and hybrid technology use. While you do see a lot in the news these days about the hybrid vehicles, we're not really expecting to see a huge increase in the market within the next 15 to 20 years. According the Energy Information Administration they expect that hybrids and alternative fuels together will make up about 12% of the vehicle market in 2020. But our diesel and gasoline sales are gonna continue to increase so we're not going to see a corresponding 12% decrease in our gasoline sales; we'll just see an overall increase in vehicle use. But DES would like to be a resource to the Study Committee if this is passed and the Committee is formed because this issue does have such a potential impact on air quality in our state. So many of our programs could be impacted by whatever the Study Committee can help for a final recommendation.

Senator Chuck Morse, D. 22: Questions? Thank you very much. Painless.

Hearing concluded at 3:35 p.m.

Hearing re-opened at 3:37 p.m.

Senator Chuck Morse, D. 22: We're going to re-open the hearing on HB 828 and we have Representative Sullivan.

Representative Sullivan: Thank you Mr. Chairman and Senators. First just to apologize, I had a prior commitment over in the Education Committee on HCR 3, scheduled for over an hour ago and it's just now rapping up so I apologize.

I'm the lead sponsor of this legislation and it's pretty substantial as introduced. When the bill was initially brought to the House, it created a tax credit against the BET for the purchase of an alternative fuel vehicle. The intent of that legislation was to encourage the (audio) businesses to invest in vehicles which are more environmentally sound and do with the state (audio) moves away from reliance on traditional fossil fuel vehicles. There are a number of merits to this...National Security interest, of course, as well as environmental. During the hearings and subsequent discussions of the Ways and Means Committee it became clear that due to a number of technical angles that needed to be resolved but there were always concerns being raised about the impact of alternative fuel vehicles upon our existing revenue strengths for the highway programs.

I believe those concerns are well founded. Currently, on the gas tax probably to an extent which hinders any efforts to move towards alternative fuel vehicles. Unfortunately, we see this state close to being placed in a position

where what is good policy towards infrastructure will run smack head on into what is good policy in terms of air quality, water quality. In some direct sense, National Security in terms of dependence on foreign oil. I supported the Ways & Means Committee decision to move forward with a Study Committee. I believe it is appropriate that we begin the process of studying alternative ways of funding our highway system and of insuring our tax structure is not/does not create conflicts between worthy priorities. Whether we like it or not, alternative fuel vehicles are fine.

Putting aside the issue of providing incentives for businesses that begin the transition process, we have to recognize the fact that each year more and more auto manufacturers are coming out with these vehicles. The price is starting to come down; hopefully before too long will be within the range of the average consumer. As that happens, people will naturally be purchasing less gasoline and we have to find ways to bring our current way of doing business into accord with that new reality. I would hope the Committee and the Senate as a whole would vote favorably upon the Study Committee so we can bring all parties to the table and begin the process of putting together a tax system and funding system that is both fiscally sound and environmentally sensible. I'd be happy to try and answer any questions.

Senator Chuck Morse, D. 22: Any questions? Senator Flanders

Senator Robert B. Flanders, D. 7: Wouldn't more competition take care of itself? There are dealers in other countries that are doing this. People are looking for, people themselves (the customers) are looking for solving itself. Won't it solve itself without us going in and trying to use tax dollars to solve this problem?

Representative Sullivan: Well that's essentially a moue point under the bill as it's currently been amended. That question really goes to the initial concept of providing a tax credit. Just to speak to that briefly, Senator. The main impediment right now is the cost of the vehicles. They're substantially more expensive to purchase than a conventional petroleum fuel vehicle which it creates a cost versus benefit problem for many companies. Providing a credit that would have wholly stimulated their purchase.

At some point, the market I'm sure will make it a more feasible proposition for small companies. But this was intended to address the more short-term issue and to alleviate some of the costs inherent in the capital investment of purchasing these vehicles. Right now as this bill is amended, the real issue is the impact upon the gas tax down the road and the need to begin to address how we are going to fund our transportation infrastructure in the long term. Right now, there's essentially incentive for the state to promote these

alternative fuel vehicles. There's an incentive for the state to act in a manner that is environmentally irresponsible. If we begin the process of examining where we stand, we can start to find ways to work around the problem to re-examine how we currently do business and how we do business in the future in a way that reflects the changing nature of transportation in the state.

Senator Robert B. Flanders, D. 7: Thank you.

Senator Chuck Morse, D. 22: Senator Martel, do you have a question? No. We're going to close the hearing.

Hearing concluded at 3:43 p.m.

Respectfully submitted:

Gloria Lamoureux
Committee/Senate Secretary
4/30/03

Speakers

SENATE TRANSPORTATION COMMITTEE

Date 04/23/03 Time 3:30 p.m. Public Hearing on HB 828-FN-A-L

(New Title) establishing a committee to study the effect of alternative transportation on state revenues..

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☒	☒	☐	Rebecca Ohler	Dept. of Environmental Services
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Voting Sheets

Senate Transportaion Committee

EXECUTIVE SESSION

Bill HB828-FN-A-L

Hearing date: 4/24/03 **Room:** LOB 104

Motion of: ITL

3-1

Made by Senator:			***Seconded by Senator:***		
	Kenney	☐		Kenney	☐
	Morse	☐		Morse	☐
	Below	☑		Below	☐
	Flanders	☑		Flanders	☐
	Martel	☐		Martel	☑

Committee Member	***Present***	***Vote***	***Reported out by***
Senator Kenney, Chairman	☐		Senator Martel
Senator Morse, Vice Chair	☑		
Senator Below	☑		
Senator Flanders	☑		
Senator Martel	☑		

***Amendments:**

NOTES:

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date:

THE COMMITTEE ON Transportation

to which was referred House Bill 828-FN-A-LOCAL

AN ACT (New Title) establishing a committee to study the effect of alternative transportation on state revenues.

VOTE: 3-1

Having considered the same, report the same with the following resolution:
Resolved, that it is: **INEXPEDIENT TO LEGISLATE.**

Senator Andre Martel
For the Committee

HB828 Docket

Next|Prev|Results List|Main|Bill Status

Bill Title: (New Title) establishing a committee to study the effect of alternative transportation on state revenues.

Date	Body	Description
1/30/2003	**H**	Introduced and ref to Ways & Means; HJ 12, p211
1/30/2003	**H**	Report due 3/6/2003
2/4/2003	**H**	==CANCELLED(Storm)==Hearing Feb 18 2:00 RM202,LOB
2/18/2003	**H**	Rescheduled Hearing Mar 3 2:00 RM202,LOB
3/3/2003	**H**	Subcom Work Session Mar 4 9:30 RM202,LOB
3/5/2003	**H**	Maj Report OPT/AM for Mar 12 (Vote 17-0;CC)
3/5/2003	**H**	Prop Comm Am{0483}(New Title); HC20, p491
3/12/2003	**H**	Passed with Am; HJ23, p555 + 591
3/13/2003	**S**	Introduced and Ref. to Transportation; SJ 8, Pg.108
4/17/2003	**S**	Hearing; April 23, 2003, Room 104, LOB, 3:30 p.m.; SC19
4/30/2003	**S**	Committee Report; Inexpedient to Legislate, [05/08/03]; SC21
5/8/2003	**S**	Inexpedient to Legislate, MA, VV === KILLED ===; SJ 15, Pg.366

Next|Prev|Results List|Main|Bill Status

Docket Abbreviations