From: Scott Fullerton
To: Committee on Energy
Subject: RE: Agenda Items XIII, XIV, XV
Date: Monday, August 24, 2020 7:20:10 PM

Honorable Legislative Committee on Energy and Honorable Chair Monroe-Moreno,

I urge the Committee to endorse and accept the Utah based proposal regarding a Vehicle Miles Travelled (VMT) plan. Currently Nevada ranks in the bottom half in the Nation in overall performance and cost-effectiveness (27th) and in disbursements per mile (34th) per Reason.org. Currently these numbers are on pace to get worse as vehicles travel further per mile with the growing use of EV's and PHEV's. Nevada is currently on pace to see a shortfall of $160 million annually with a cumulative shortfall of $1.6 billion by the year 2030 (NHTSA, EPA, NDOT, FHWA, Morse Associates Consulting Analysis). Currently, vehicles operating on fossil fuels pay $0.42225 per gallon in fuel tax ($0.23825 state, excluding Washoe and Clark fuel indexing, and $0.184 for federal). $0.00805 per gallon of state fuel tax and $0.001 per gallon of federal fuel tax applies to Leaking underground storage and other environmental fees. This funding from fuel taxes go directly to the maintenance, repair and construction of roadways per the Nevada Constitution. As it stands, EV's pay $0 towards the roads they travel on and PHEV's pay minimal. With decreasing revenue from the higher mileage vehicles and the EV's the State of Nevada must act now to keep from falling further behind. Although a plan based similarly to the Utah Road Usage Charge (RUC) is not perfect, it was the best plan offered through the SCR 3 meetings.

An argument was made that EV's would not see a reduction over time at registration compared to a fossil fuel based vehicle. Let's not confuse the difference between the RUC and the Government Service Tax (GST) due at registration. Both EV's and Light Duty Vehicles (LDV) would see their GST lower as the value of the vehicle depreciates. However, the EV would continue to pay the RUC of $200 annually, unless the elect to pay by the mile at $0.01 per mile, for the life of the vehicle. This compares similarly to the LDV, who would continue to pay per gallon. Example: a vehicle that travels 20,000 miles a year at 25 mpg would purchase 800 gallons of fuel. At $0.42225 that would equal $337.8 in total fuel tax. $190.60 in State tax and $147.20 in Federal tax. Both of these numbers are on par with the RUC and create an equal share per mile driven. In addition, bike paths and pedestrian walkways are built in conjunction with the roads they are associated with. Therefore without a proper fuel tax we limit the ability to create additional pedestrian and bike friendly communities.

Additionally, fuel tax creates the ability to improve infrastructure. Infrastructure has traditionally been the greatest method in improving a down economy. It creates jobs for workers, who in turn support the local businesses. Infrastructure monies offer a greater return on value economically than any other source. Statistically for every dollars spent on infrastructure, it creates a $1.50 to $1.67 in investment return. Infrastructure dollars create tax revenue. I urge the committee to strongly look at the plan based upon the Utah RUC. As a representative of over 2200 workers across the State of Nevada, these dollars are their life's blood. It keeps Nevada families working and allows them to contribute to their communities.

Sincerely,

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