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FISCAL IMPACT REPORT

SPONSOR Soules **ORIGINAL DATE** 02/15/21
LAST UPDATED 03/03/21 **HB** _____
SHORT TITLE Purchase of Electric Vehicles **SB** 130/aSTBTC
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$4,455.1	\$4,455.1	\$8,910.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)
General Services Department (GSD)

SUMMARY

Synopsis of STBTC Amendment

The Senate Tax, Business and Transportation Committee amendment to Senate Bill 130 removes language from the definition of “electric vehicle” requiring that the vehicle “is purchased or leased by a consumer from a dealer for the first time after delivery from the manufacturer from the dealer.”

Synopsis of Original Bill

Senate Bill 130 (SB130) would require GSD to purchase electric vehicles (EV) so that at least 75 percent of all state vehicles would be electric by January 1, 2030. SB130 defines EV’s as a motor vehicle or plug-in hybrid EV with a battery with a capacity of not less than four kilowatt hours and is recharged from an external source.

FISCAL IMPLICATIONS

GSD reports the state motor pool, which excludes vehicles owned by agencies such as the Department of Transportation and the Department of Public Safety, has 1,950 vehicles. Reaching a 75 percent EV target would require GSD to exchange 1,432 internal combustion vehicles with

EV's. GSD notes:

The cost to replace the remaining fleet (1,432) using \$28 thousand as a base electric vehicle cost would be \$40,096,000. This would require a \$4,455,111 annual appropriation over the next 9 years. These numbers only reflect TSD fleet and do not include additional state fleets that do not fall under TSD control.

SIGNIFICANT ISSUES

GSD reports:

In order to be able to utilize these electric vehicles, an extensive electric infrastructure will need to be built throughout the state. Until such time that an electric vehicle is capable of traveling 400 miles on a single charge, electrical re-charging stops will need to occur at least twice on a trip from Santa Fe to Las Cruces. Per the EPA fuel economy web site, our current electric vehicles are rated at 118 mpg (Chevrolet Bolt) and 113 mpg (Nissan Leaf).

Costs of charging stations can average \$20 thousand per site for a level 3 fast charging unit.

Cost savings would be realized by TSD in the reduction of maintenance costs associated with operating electric vehicles. Routine costs such as preventative oil changes would no longer be required. Nor would engine replacement/overhauls and repairs be required. TSD cannot provide true cost savings until TSD actually utilizes these vehicles and captures the relevant data.

A lack of charging stations in rural areas of the state may hinder the proliferation of electric vehicles. The requirements of this legislation may be particularly difficult for agencies such as the Department of Transportation and the Department of Public Safety to comply with as these agencies operate in areas of the state that are less likely to have an available charging network.

Additionally, DPS reports a lack of available EV options, particularly for marked patrol vehicles. While a number of vehicle manufacturers are developing EV options, it is not yet known how long it will take until models meeting the performance requirements will be available for purchase. DPS states:

It might be prudent for a law enforcement exemption to be added to this bill, due to the need DPS has for vehicles with a certain level of performance. It is unknown if an electric vehicle will be available to meet those performance metrics.

TECHNICAL ISSUES

SB130 would require EVs to “constitute at least seventy-five percent of all state vehicles by January 1, 2021”. However, certain state vehicles are not owned or leased by TSD. If it is not the intention of SB130 to apply to other agencies, such as the Department of Transportation or the Department of Public Safety, language should be added to clarify which agencies are subject to the provisions of SB130.

CJ /rl/sb/al