



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2177

PRINTER'S NO. 3818

PRIME SPONSOR: Mullins

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
Motor License Fund	\$4,035,574	\$0

SUMMARY: Updates the current schedule for motorcycle safety inspections and changes the effective date of certain provisions in Act 85 of 2024. This legislation will take effect in sixty (60) days.

ANALYSIS: This legislation amends Title 75 (Vehicles) Section 4708 (Inspection of Motorcycles) to remove the current schedule for annual motorcycle inspections and replaces it with an annual safety inspection valid for one year from the expiration of the safety inspection set to expire. Additionally, a safety inspection sticker may not be used for more than 15 months from the month of inspection. Lastly, if a motorcycle does not display a valid certificate of inspection, upon inspection the motorcycle shall receive an inspection sticker valid for one year from the month of inspection.

Additionally, the bill delays the imposition of the electric vehicle (EV) and plug-in hybrid electric vehicle (PHEV) fee established by Act 85 of 2024 within Title 75 (Vehicles) Section 9024 (Electric vehicle road user charge) by adding Subsection (q)(1), to change the date from January 1, 2025, to April 1, 2025. Furthermore, Subsection (q)(2) changes the effective date related to the payment plan available for the payment of the fee imposed under Section 9024, from 24 months after enactment to July 17, 2026.

FISCAL IMPACT: The provision which changes the effective date of Title 75 (Vehicles) Section 9024, from January 1, 2025, to April 1, 2025, would have a negative fiscal impact on commonwealth funds, specifically the Motor License Fund. On the other hand, the provision related to motorcycle safety inspections would not have an impact on commonwealth funds, since the validity period of motorcycle inspection is not changing.

The delayed implementation of the electric vehicle road user charge would have a negative impact on the Motor License Fund, as this is where the fees under the act would be deposited. Relative to the fiscal impact noted in the House Appropriations Committee fiscal note for SB 656 PN 1811, which became Act 85 of 2024, the change in House Bill 2177 only impacts calendar year 2025. The loss of revenue within fiscal year 2024/25 is estimated to be \$4.03 million.

Calendar Year	Electric Vehicles (EVs)				Plug-in Hybrid Electric Vehicles (PHEVs)				Combined Revenues	Projected Revenue Loss
	Estimated EV Fee	Est. # of EVs	January 1, 2025 Implementation	April 1, 2025 Implementation	Estimated PHEV Fee	Est. # of PHEVs	January 1, 2025 Implementation	April 1, 2025 Implementation	April 1, 2025 Implementation	
2025	\$200	70,406	\$14,081,153	\$10,560,865	\$50	41,223	\$2,061,143	\$1,545,857	\$12,106,722	\$4,035,574
2026	\$250	73,554	\$18,388,566	\$18,388,566	\$63	43,320	\$2,729,159	\$2,729,159	\$21,117,726	
2027	\$258	76,844	\$19,825,639	\$19,825,639	\$65	45,524	\$2,959,047	\$2,959,047	\$22,784,686	
2028	\$267	80,280	\$21,434,748	\$21,434,748	\$67	47,840	\$3,205,263	\$3,205,263	\$24,640,010	
2029	\$276	83,870	\$23,148,125	\$23,148,125	\$69	50,273	\$3,468,871	\$3,468,871	\$26,616,996	
2030	\$286	87,621	\$25,059,500	\$25,059,500	\$72	52,831	\$3,803,836	\$3,803,836	\$28,863,336	

Notes:

- The estimated fee is annually adjusted for inflation beginning in 2027.
- April 1, 2025 implementation assumes three-quarters of the registered vehicles in CY2025 would pay an electric vehicle road user charge (Apr - Dec).

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House Appropriations Committee (D)

DATE: November 13, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.