

SB 1558 -1, -2, -5, -7 STAFF MEASURE SUMMARY

Joint Committee On Transportation

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 2/3, 2/8, 2/10

WHAT THE MEASURE DOES:

Requires transportation network companies and third-party food delivery platforms to meet or exceed specified targets for the percentage of service miles driven by zero-emission vehicles. Authorizes the Department of Environmental Quality (DEQ) to modify or delay enforcement of targets. Requires subject companies to report information regarding service miles to DEQ. Prohibits DEQ and Environmental Quality Commission from adopting or enforcing per-person limits on rebates provided under zero-emission and electric vehicle rebate program. Preempts local governments from imposing per-trip tax, fee, or similar charge for rideshare services or food delivery services unless the proceeds are used for regulation of the services or for funding expansion of electric vehicle infrastructure. Clarifies that enhanced penalty for failure to use vehicle traction tires or chains applies to registered commercial vehicles at time of offense. Repeals citation moratorium for traffic offenses related to documents and credentials that expired during the period from March 1, 2020, and December 31, 2020.

ISSUES DISCUSSED:

- Background on citation moratorium
- Status of DMV operations
- Potential impact of zero-emission vehicle requirements on rideshare companies
- Zero-emission vehicle rebate program expected to be oversubscribed starting in 2022

EFFECT OF AMENDMENT:

-1 Specifies that provisions related to penalty to use vehicle traction tires takes effect on 91st day following adjournment sine die (sections 9-10).

FISCAL - Fiscal impact statement issued for measure with the -1 amendment

REVENUE - Minimal revenue impact on measure with the -1 amendment

-2 Deletes all provisions related to transportation network companies, rideshare companies, third-party food delivery platforms, and zero-emission and electric vehicle rebate program (sections 1-8).

FISCAL - No fiscal impact on measure with the -2 amendment

REVENUE - Minimal revenue impact on measure with the -2 amendment

-5 Increases annual allocation of vehicle dealer privilege tax revenues to Zero-Emission Incentive Fund from \$12 million to the greater of \$12 million or 45 percent of gross revenues received from the vehicle dealer privilege tax.

FISCAL - Fiscal statement issued for measure with the -5 amendment

REVENUE - Revenue statement issued for measure with the -5 amendment

-7 Deletes all provisions related to transportation network companies, rideshare companies, third-party food delivery platforms, and zero-emission and electric vehicle rebate program (sections 1-8). Deletes all provisions related to transportation network companies, rideshare companies, third-party food delivery platforms, and zero-emission and electric vehicle rebate program (sections 1-8). Increases annual allocation of vehicle dealer privilege tax revenues to Zero-Emission Incentive Fund from \$12 million to the greater of \$12 million or 45 percent of gross revenues received from the vehicle dealer privilege tax.

FISCAL - Fiscal statement issued for measure with the -7 amendment

REVENUE - Revenue statement issued for measure with the -7 amendment

BACKGROUND:

Transportation network companies (TNCs), sometimes referred to as rideshare or ride-hailing companies, are an app-based service through which customers can arrange for rides on demand. Examples of TNCs include Uber and Lyft. Unlike traditional taxi businesses, TNCs generally do not own and maintain fleets of vehicles, or directly employ drivers, but rather contract individual drivers and their cars through the same app-based platform, matching available drivers with persons seeking rides in particular areas. Rides are priced dynamically based on driver availability, rider demand, and other factors (such as nearby events, holidays, etc.) Similarly, third-party food delivery platforms allow customers to arrange for delivery of restaurant meals through a similar application, with available drivers matched up with customers seeking meal delivery. Examples of such platforms include DoorDash, Grubhub, and Uber Eats.

Senate Bill 1558 sets targets and requirements for transportation network companies and for third-party food delivery platforms to meet or exceed network miles provided by zero-emission and electric vehicles, beginning at 2.5 percent in 2024 and reaching 100 percent in 2032.

House Bill 3055 (2021) modified the offense of failure to use vehicle traction tires or chains from a Class C traffic violation to a presumptive fine of \$880. Senate Bill 1558 clarifies that this modified offense applies only to vehicles operating as commercial vehicles at the time of the offense.

Senate Bill 1601 (2020 1st Special Session) included provisions that prohibited law enforcement from issuing fines related to certain documents or credentials that had expired between March 1 and December 31, 2020, and also directed courts to dismiss any such citations issued. This prohibition was instituted in response to the global pandemic that had closed the state's DMV offices and generally made it difficult or impossible for individuals to renew driver licenses and motor vehicle registration tags. Senate Bill 1558 repeals the provisions related to the 10-month moratorium.

Senate Bill 1558 is the transportation omnibus measure for the 2022 session.