

Fiscal Estimate Narratives

DOA 1/12/2024

LRB Number	23-5323/1	Introduction Number	AB-0846	Estimate Type	Original
Description exemptions from public utility regulation regarding electric vehicle charging stations, installation and operation of electric vehicle charging stations by state agencies or local governmental units, and imposing an excise tax on electric vehicle charging					

Assumptions Used in Arriving at Fiscal Estimate

2023 Assembly Bill 846 pertains to the regulation and taxation of electric vehicle charging stations in various ways. First, the bill would exclude certain individuals supplying electricity through an electric vehicle charging station from being regulated as a public utility. The exemption would apply if all the electricity provided through the charging station comes from the person's municipal electric utility or retail electric cooperative, the person charges a fee that is based on kilowatt-hours of electricity used by the consumer, and the person does not provide electricity directly or indirectly to the public by any other means. Under current law, anyone supplying electricity to the public is regulated as a public utility by the Public Service Commission.

The bill would prohibit state agencies from owning, operating, managing, or leasing a Level 1, Level 2, or Level 3 electric vehicle charging station (the various levels of which are defined in the bill) unless it is not available to the public and is solely for charging vehicles owned or leased by a state agency. Conversely, local governmental units would be permitted to own, operate, manage, or lease a charging station with Level 1 or Level 2 chargers provided they are available for public use free of charge.

A local governmental unit may also authorize an electric provider or certain persons as described above to own and operate an electric vehicle charging station on property owned by the governmental unit with Level 1, 2, and 3 chargers available to the public. Municipal utilities would also be permitted to own and operate a charging station provided that: (a) the charging station receives approvals from the Public Service Commission under Ch. 196, Wis. Stats.; (b) no tax revenue subsidizes costs associated with the charging station, whether directly or indirectly (not including federal grants or funds distributed via approval of the Joint Committee on Finance under s. 13.10, Wis. Stats.); and (c) no revenue generated from the charging station is transferred to the general fund of the municipality that owns the utility or would in any way supplement the municipality's budget.

Lastly, the bill would introduce an electric vehicle charging station permit requirement and a tax on electric vehicle charging, set at 3 cents per kilowatt-hour. The tax would apply to electricity delivered by a charging station for compensation and would not apply to electricity delivered without charge or by a residential charging station, which is defined by the bill to exclude hotels. Individuals delivering electricity for compensation from a non-residential charging station must obtain a permit from the Department of Revenue, which is also responsible for enforcing and collecting the tax. All revenue collected from the tax would be deposited into the transportation fund. Additionally, the bill exempts the sale of electricity from a charging station for electric vehicles from sales and use tax.

The proposed provisions are related to certain prohibitions on State agency ownership, operation, management, or leasing of charging stations. Specifically, the proposed would prevent state agencies from allowing public use of the stations (or revenue generation therefrom) and would prevent state use of charging stations unless the vehicles charged are owned or leased by the state. This provision would require current practice to be modified as the state owns charging stations installed in state parking garages, which are permitted for state employee use for their private vehicles, at the employee's expense.

Given the proposed codification under Ch. 16, Wis. Stats., of this prohibition (s. 16.9565 (2), Wis. Stats., in the bill), the Department of Administration (Department) is anticipated to be responsible for ensuring state agency compliance with the proposed prohibition of public use of the charging stations and use only for vehicles owned or leased by a state agency.

The implementation, maintenance, and scope of the Department's necessary compliance oversight is not able to be determined at this time, and accordingly, the fiscal impact on the Department is indeterminate.

The local fiscal impact is indeterminate due to the wide variance in demand for electric vehicle charging

stations, the capacity of local governmental units and utilities to undertake such operations, and the permissiveness of the bill. As revenues generated from the municipality owning a utility would be prohibited from supplementing the municipal budget, the provisions of the bill would not present any additional general revenue for the municipality. The provisions of the bill and the redefinition of what constitutes a public utility could affect the availability and number of electric vehicle charging stations in the State; however, the Department does not have access to data to this effect at this time in order to estimate the local impact.

Long-Range Fiscal Implications