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EV charging legislation passes state budget committee, would open door to \$78 million in federal funds

Mitchell Schmidt | Wisconsin State Journal

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Gas stations and grocery stores in Wisconsin could more easily operate electric vehicle charging stations under legislation advanced Thursday by the state's budget committee.

The proposal, which passed unanimously, would also allow Wisconsin to tap into more than \$78 million in federal funds — first approved by the U.S. Department of Transportation in 2022 — aimed at boosting the state's network of EV charging stations along state highways and interstates. Lawmakers are on a short timeline, however, as the legislation will need to be passed and signed by March 31 in order to receive those funds.

Under current law, a business that wants to operate EV charging stations must be regulated as a utility.

Senate Bill 791 would provide private businesses an exemption from the rule and require that they sell electricity by the kilowatt-hour — or by the amount used — rather than by the length of time it takes to charge a vehicle. The state would impose a 3-cent per kilowatt-hour excise tax on electricity sold through an EV charging station.

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EV charging stations are characterized as Level 1, Level 2 and Level 3, with the third level being the fastest in terms of how long it takes to charge a vehicle.

Under the amended version of the bill approved Thursday, any existing Level 1 and 2 chargers in the state do not need to charge the 3-cent excise tax. Any new charging stations, as well as all current and future Level 3 chargers in the state, would be required to charge for power by the kilowatt-hour and collect the excise tax. The bill also excludes residential chargers from fees and taxes.

Rep. Deb Andraca, D-Whitefish Bay, supported the measure, but raised concern about the excise tax, which adds more costs for electric vehicle owners in addition to the state's increased vehicle registration fees for hybrids and EVs. The increased fees were implemented in previous legislative sessions to make up for lost fuel tax revenue, which motorists pay when purchasing gas or diesel fuel and which is not being paid by EV owners.



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“I do hope that at some point we will address the problem that we are over-taxing drivers of electric vehicles,” said Andraca, who owns an EV.

17,000 EVs

The state Department of Revenue estimates there are more than 17,000 electric vehicles registered in Wisconsin. The agency estimates the excise tax will generate about \$3.1 million in revenue in the fiscal year that ends in the summer of 2025. However, that number could be lower depending on how many EV drivers charge up at home. The state Department of Transportation offers a much lower projection, estimating the tax to generate up to \$314,000 in fiscal year 2025.

Any funds generated by the excise tax would go into the state transportation fund, which is used to fund infrastructure projects like roads and bridges.

The 2-year-old National Electric Vehicle Infrastructure formula program, which provides funding to states for electric vehicle charging stations and infrastructure, has pledged \$78.6 million to Wisconsin if it allows charging stations to sell electricity by the kilowatt-hour. The state can also apply for another \$2.5 billion in competitive funding if it meets program requirements, including that charging stations bill by the kilowatt-hour.



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Wisconsin will need to implement the proposed changes by March 31, 2024, in order to be eligible for federal funds. If approved, the Wisconsin Department of Transportation plans to use those federal funds to help develop dozens of new charging stations roughly 50 miles apart along major interstates and highways in the state.

Leaders respond

Senate Majority Leader Devin LeMahieu, R-Oostburg, told the Wisconsin State Journal he hopes to pass the bill in the coming months. Assembly Speaker Robin Vos, R-Rochester, said he's open to the idea of expanding EV charging stations in the state but said spurring that development using federal dollars instead of letting the market determine what gets built was "a dumb idea."

The proposal also bars the state and local governments from selling EV charging to the public. It does, however, allow those entities to lease property to private businesses that could own and operate EV charging stations.

Some groups, including the Wisconsin Local Government Climate Coalition, a collection of local governments across the state, and the Sierra Club's Wisconsin chapter have largely backed the bill's intentions but have cautioned lawmakers that limiting local governments' ability to sell EV charging could stifle future development.

Evers proposed in his 2023-25 biennial budget changes to allow private entities to operate EV charging stations without needing to be regulated as a utility in order to secure the federal funds. The proposal was ultimately removed by the budget committee.

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