

## Legislative Statement for the Road User Charges (Light Electric RUC Vehicles) Amendment Bill

### First Reading

Presented to the House in accordance with Standing Order 272

#### Introduction

1. The purpose of the Road User Charges (Light Electric RUC Vehicles) Amendment Bill is to facilitate the transition of electric vehicles (EVs) into the road user charges (RUC) system from 1 April 2024.
2. To achieve this, the Bill:
  - requires certain light EVs to have a RUC licence when the RUC exemption expires at the close of 31 March 2024
  - allows for the setting of a reduced RUC rate for plug-in hybrid electric RUC vehicles (PHEVs) to recognise that plug-in hybrid electric vehicle owners pay fuel excise duty for the distance travelled using petrol
  - removes the entitlement of PHEV owners to claim a refund of fuel excise duty
  - exempts very light electric RUC vehicles (very light EVs) from the payment of RUCs
  - provides for a two-month transition period to bring light EVs into compliance whereby a person will not face penalty for operating a light EV without a RUC licence, provided they obtain a RUC licence during the period
  - amends the definition of all-terrain vehicle to provide for electric all-terrain vehicles
3. The Bill will amend the Road User Charges Act 2012 (the Act) and necessary secondary legislation.

#### Background

4. Road user charges apply to all heavy vehicles (vehicles with a gross vehicle mass of more than 3,500 kilograms) used on New Zealand roads and all light vehicles that use a motive power not wholly derived from petrol.
5. Light EVs have been exempted from the obligation to purchase RUC licences since 2009 to encourage their uptake. This exemption, in the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012, is due to expire at the close of 31 March 2024 and light electric vehicles will become subject to RUC from 1 April 2024.

#### Key provisions in the Road User Charges (Light Electric RUC Vehicles) Amendment Bill

6. The Bill amends the Act to exclude very light EVs from the RUC system, so they are not required to pay RUC. It does this by inserting a new definition of *very light electric RUC vehicle* to capture electric vehicles with a gross vehicle mass of 1,000 kg or less. It also amends the existing definitions of *light electric RUC vehicle* and *light RUC vehicle* to exclude very light electric RUC vehicles.

7. The Bill inserts a new definition of *plug-in hybrid electric RUC vehicle* in the Act to capture electric vehicles with a motive power partly derived from petrol and partly derived from an external source of electricity.
8. The Bill also enables the making of regulations under the Act to specify a reduced RUC rate for PHEVs that takes into account any fuel excise duty payable in relation to the amount of petrol likely to be used by a PHEV.
9. Consequently, it amends the Road User Charges Regulations 2012 to add a new vehicle type for PHEVs and amends the Road User Charges (Rates) Regulations 2015 to apply a reduced RUC rate of \$53 per 1,000 km for PHEVs.
10. The Bill amends the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004 to remove the ability of PHEV owners to claim refunds on any fuel excise duty paid.
11. The Bill also amends the definition of *all-terrain vehicles* in the Road User Charges (Classes of RUC Vehicles) Exemption Order 2012, which currently only applies to vehicles with a combustion engine, to also provide for electric all-terrain vehicles and all-terrain vehicles that use both kinds of power. To ensure a consistent definition across legislation, this Bill also amends that definition in secondary legislation made under the Land Transport Act 1998.
12. The Bill provides for a two-month transitional period beginning on 1 April 2024 during which owners of light EVs that were already in the fleet as at 31 March 2024 do not commit an offence of failure to have or display a RUC licence provided they obtain one by the end of the period on 31 May 2024. These provisions also require the supply of the vehicle's current odometer reading when making an application for a RUC licence for the first time.
13. It is proposed that the Bill comes into force on 1 April 2024 (clause 2) which is the day after the date on which the current exemption of light electric RUC vehicles from the payment of RUC expires.
14. The Bill revokes the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012 because the exemption in that order will have expired by the time the Bill comes into force.

Hon Simeon Brown  
**Minister of Transport**