

Testimony to the Senate Budget and Taxation Committee  
SB 1065 Motor Vehicles - Registration - Annual Surcharge

**Position: Unfavorable**

26 February 2024

The Honorable Guy Guzzone, Chair  
3 West, Miller Senate Office Building, Annapolis, MD 21401

Honorable Chair Guzzone and Members of the Senate Budget and Taxation Committee:

My name is Scott Wilson, and I currently drive a 2017 Chevy Bolt EV and a 2013 Nissan Leaf. I serve on the Maryland Zero Emission Electric Vehicle Infrastructure Council, and I'm also Vice President of the Electric Vehicle Association of Greater Washington DC. The following remarks are entirely on my behalf.

As an EV driver, I want nothing more than to pay my fair share in road taxes. I don't like potholes any more than the next guy. However, this bill would add an arbitrary annual amount, \$100, to the registration fee for EVs. Why \$100? Why not \$50, \$75 or \$150? Where is that number coming from? Arbitrary flat EV fees are based on an "estimate" of how much TTF revenue EVs are avoiding. That estimate uses flawed logic since it compares the EV with gas cars getting average mileage. EVs, however, get anything but average mileage. Our Bolt is the worst of our two cars, getting an official effective mpg of 119 miles/gallon. If Maryland adopts a flat fee, it should thus reflect the avoided gas tax revenue of a ballpark 100 mpg vehicle.

Ironically, the funds raised by this bill won't fill a single pothole, since they are earmarked for zero emission state fleet vehicles. Is the TTF in trouble or isn't it?

Another flaw with flat EV fees is the penalty for low-mile drivers, who are often elderly or low-income. Imagine someone driving 50 miles per week, and their neighbor driving 1000 miles per week in a much heavier car. Should both be required to pay equal amounts into the TTF?

The real issue with declining TTF revenue is the decrease in gasoline purchases due to increasing Corporate Average Fuel Economy (CAFE) standards in the wider fleet. CAFE standards will continue to rise, raising a fair question about whether hybrids like the Toyota Prius have been "paying their fair share".

We now have a forum to hash out thoughtful, policy-driven options to improve TTF funding. The Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN) took testimony last year and will make final recommendations at the end

of this year. The Interim Report last January recommended only that the General Assembly consider options to collect revenue for the TTF, which I support. We should let TRAIN finish its work by allowing it to take the time to consider a broad range of funding options, most of which are already being used or piloted in other states. The General Assembly should base TTF revenue policy on the TRAIN conclusions.

In fact, there is a solution that is both fair and which would **permanently solve TTF funding**: abolishing the gas tax and replacing it with a Road Usage Charge (RUC) also known as a Vehicle Mile Tax (VMT). A VMT is the fairest solution, since it would charge vehicles in direct proportion to their road use. The more you drive, the more you pay, the less you drive, the less you pay, which is the way gas cars are taxed now. A VMT would also enable charging by weight, thus genuinely accounting for wear and tear on the roads.

There are many ways to implement a VMT which include **robust and verifiable privacy protections**, and we can learn from the states that are already doing so. Oregon<sup>1</sup>, Utah<sup>2</sup>, Virginia<sup>3</sup>, and even deep red Oklahoma<sup>4</sup> all have active or pilot VMT programs. Washington, California, Nevada, Colorado, Minnesota, Pennsylvania, North Carolina, New Jersey, Delaware, Hawaii, and Maine all have VMT pilots. 20 other states, including Maryland<sup>5</sup>, are researching VMT programs through multi-state consortia. The National Conference of State Legislatures<sup>6</sup> has shown that VMT programs are affordable, effective, and **privacy-protecting**. The TRAIN Commission has taken testimony<sup>7</sup> which included VMT and has stated it will consider VMT in 2024.

As an EV driver, I want nothing more than to pay my fair share. Let's not get in front of the TRAIN, let's wait for the TRAIN to come in.

Thank you for your time,

Scott Wilson

---

<sup>1</sup> <https://www.myorego.org/>

<sup>2</sup> <https://roadusagecharge.utah.gov/>

<sup>3</sup> <https://www.dmv.virginia.gov/vehicles/taxes-fees/mileage-choice>

<sup>4</sup> <https://www.fairmilesok.com/>

<sup>5</sup> <https://tetcoalitionmbuf.org/>

<sup>6</sup> <https://www.ncsl.org/resources/details/ncsl-road-usage-charges-summit-agenda-presentations-june-2022>

<sup>7</sup> Ed Regan "2023 Outlook on Fuel Tax Sustainability" at [2:12:45 https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmte=tri&clip=APP\\_8\\_24\\_2023\\_meeting\\_1&ys=2023rs](https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmte=tri&clip=APP_8_24_2023_meeting_1&ys=2023rs)