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Environment and Transportation Committee

Chair
Motor Vehicle and Transportation
Subcommittee



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Delegate Marc A. Korman
Chairman, House Environment and Transportation Committee
House Office Building – Room 251
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Mr. Chairman,

I am writing in favor of HB 913 – Motor Vehicles – Registration – Annual Surcharge.

The Transportation Trust Fund (TTF) funds the Maryland Department of Transportation (MDOT). This allows the state to provide various government services including the Maryland Transit Administration and the Motor Vehicle Administration.¹ Primary sources of funds for the TTF include motor fuel taxes and motor vehicle fees. When MDOT’s operations require more funding than the TTF has to offer, the Department begins using General Revenue to offset these shortfalls.² With the widespread adoption of electric vehicles (EVs) and more efficient internal combustion engine (ICE) vehicles in Maryland, the fuel tax revenue has been on a downward trend. As of January 31, 2024, 95,233 EVs have been registered in the state.³ Just over 10 years ago, there were only 609 EVs in MD.⁴

HB 913 requires the owner of a fuel cell electric vehicle to pay a certain annual surcharge in addition to the annual registration fee. Vehicles with internal combustion engines are also subject to the surcharge because unlike EVs, ICE vehicles continue to emit greenhouse gasses into our atmosphere. According to the U.S. Department of Energy, there are approximately 4.4 million gasoline-powered vehicles in the state.⁵ Since a typical passenger vehicle emits about 4.6 metric tons of carbon dioxide per year, this would amount to over 20 million metric tons of carbon dioxide per year, not to mention, emissions of

¹ “Transportation Trust Fund,” Maryland Department of Transportation (MDOT), 2020, <https://www.mdot.maryland.gov/tso/Pages/Index.aspx?PageId=85>.

² “Development of the Consolidated Transportation Program (CTP),” Maryland Department of Transportation, September 13, 2023, https://mdot.maryland.gov/OPCP/TRAIN_Meeting_1.pdf.

³ “Electric Vehicles,” Maryland Department of Transportation (MDOT), January 31, 2024, <https://www.mdot.maryland.gov/tso/pages/Index.aspx?PageId=34>.

⁴ Meredith Devereux, “Number of Electric Vehicles Continues to Grow in Maryland,” Maryland Department of Transportation, April 18, 2023, <https://news.mdot.maryland.gov/number-of-electric-vehicles-continues-to-grow-in-maryland/>.

⁵ “Alternative Fuels Data Center: Vehicle Registration Counts by State,” U.S. Department of Energy, 2022, <https://afdc.energy.gov/vehicle-registration>.

other pollutants such as nitrogen oxides (NO_x) and sulfur oxides (SO_x) and inhalable particulate matters like PM_{2.5} and PM₁₀.⁶

The proceeds collected from the surcharge would be deposited into the Transportation Trust Fund, where it'll be utilized to meet transportation service and infrastructure needs. Additionally, this bill would require the Motor Vehicle Administration (MVA) to refuse to register or renew the registration of a motor vehicle for failure to pay the surcharge.

Several states have adopted annual fees to account for the loss in revenue for transportation infrastructure. Most notably, West Virginia established the Alternative Fuel Vehicle Fee in 2022, requiring owners of electric vehicles to pay an annual fee of \$200.⁷ Similarly, Pennsylvania's legislature is working on a bill that would require electric vehicle owners to pay a yearly flat fee.⁸ Fees have already been enforced across the country, ranging from \$105 to \$213.7 in states such as Missouri, California, North Carolina, and Georgia.⁹

As we continue to transition to EVs, it is important to address the depletion of fuel tax revenue. Without sufficient funds, MDOT lacks enough resources to effectively maintain our roads and clean our highways. By requiring an annual surcharge on all vehicles in Maryland, we can ensure everyone is paying their fair share to repair our roads and environment.

⁶ "Greenhouse Gas Emissions from a Typical Passenger Vehicle," United States Environmental Protection Agency, August 28, 2023, <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle#typical-passenger>.

⁷ "West Virginia Laws and Incentives," Alternative Fuels Data Center: West Virginia Laws and Incentives, 2022, <https://afdc.energy.gov/laws/all?state=WV>.

⁸ Peter Hall, "Pennsylvania House Considers Road Use Fee for EV Owners," Pennsylvania Capital-Star, December 12, 2023, <https://penncapital-star.com/energy-environment/pennsylvania-house-considers-road-use-fee-for-ev-owners/>.

⁹ Benjamin Jaros and Adam Hoffer, "How Are Electric Vehicles Taxed in Your State?," Tax Foundation, December 20, 2023, <https://taxfoundation.org/data/all/state/electric-vehicles-ev-taxes-state/>.