

Testimony to the House Environment and Transportation Committee
SB 1065 Motor Vehicles - Registration - Annual Surcharge

Position: Unfavorable

22 March 2024

The Honorable Marc Korman, Chair
Room 251, House Office Building, Annapolis, MD 21401

Honorable Chair Korman and Members of the House Environment and Transportation 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, \$150, to the registration fee for EVs. 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. What we should be comparing with is the car the EV driver *would have bought* had an EV not been available. That probably wouldn't have been an average mileage gas car. Instead, it likely would have been a 50+ mpg hybrid, thus the EV driver is actually avoiding the gas tax paid by 50+ mpg hybrid, and *EV's should be treated as hybrids for tax purposes*.

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. It makes no sense that both would 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".

The Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN) briefly touched last year on 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. Oregon¹, Utah², Virginia³, and even deep red Oklahoma⁴ 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 Maryland⁵, are researching VMT programs through multi-state consortia. The National Conference of State Legislatures⁶ has shown that VMT programs are affordable, effective, and **privacy-protecting**. The TRAIN Commission has taken testimony⁷ which included VMT and has stated it will consider VMT in 2024. Alas, it appears that TRAIN will come to a premature end without really accomplishing anything..

As an EV driver, I want nothing more than to pay my fair share. This bill is an unsustainable and unfair solution.

Thank you for your time,

Scott Wilson

¹ <https://www.myorego.org/>

² <https://roadusagecharge.utah.gov/>

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

⁴ <https://www.fairmilesok.com/>

⁵ <https://tetcoalitionmbuf.org/>

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

⁷ 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)