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Testimony of Representative Allison Hepler presenting
**LD 622, An Act to Implement a Surcharge on Electric Vehicle
Registration**

Before the Joint Standing Committee on Transportation

Good afternoon, Senator Nangle, Representative Crafts and members of the Transportation Committee. I am Allison Hepler and I represent the towns of Arrowsic, Georgetown, Phippsburg, West Bath and Woolwich. I am here today to present **LD 622, An Act to Implement a Surcharge on Electric Vehicle Registration.**

As many of my constituents know, and as officials at the Maine Department of Transportation (MDOT) also know, I have probably fielded more road questions and complaints than anything else while I have served in the Legislature. 99% of those questions and complaints deal with road conditions. I'm also a selectperson in Woolwich, and have learned a great deal about road funding and municipal-state relationships with regard to state roads.

Road maintenance in the state requires more resources, and road users have traditionally paid for a share of those costs, specifically in the form of the gas tax. As electric vehicles (EVs) form an increasing percentage of the vehicles on our roads, the gas tax as a method of funding road maintenance costs has been less impactful. There's no doubt that electric vehicles reduce our emissions. However, their impact on our roads and owners' responsibility to share the costs of our road infrastructure is what prompted this bill. In my opinion, as long as we are using the gas tax to fund road maintenance, it's a matter of fairness.

LD 622 directs the Secretary of State to require the owner of an electric vehicle to pay an electric vehicle registration surcharge of \$250 per year. The money collected from the surcharge must be transmitted to the Treasurer of State to be credited to the Highway Fund. I am also respectfully offering two amendments, one to exempt electric motorcycles, and another to remove the option for two payments (lines 13 and 14 of the bill).

I've looked at previous bills similar to this one, with different amounts or formulas to develop a fair allocation of costs. I chose this one based on figures provided to this committee by MDOT in testimony for LD 1572 in the 131st Legislature. In that testimony, the Department provided a formula based on the average miles traveled by Maine drivers, the average miles per gallon and the amount of money that a gallon of gas contributes toward state and federal fuel taxes. In the

example, the average Maine driver buys about 546 gallons per year. When multiplied by the Maine state gasoline tax of 30 cents per gallon, the average road user fee amounts to \$164. Federal fuel tax would yield another \$100, for a total of \$264. I reduced it to \$250 for simplicity.

A flat fee rather than a formula based on a driver's actual miles used simplifies the work of the town clerk when the fee is collected. It also avoids possible privacy concerns should the state adopt a "vehicle miles traveled" method. Also, for simplicity's sake, this bill excludes plug-in hybrids.

Lastly, I wanted to provide some national context. Currently, 39 states require a special registration fee for EVs; 32 of these also charge a fee for plug-in hybrids. New Hampshire and Vermont are two of the seven states that only assess fully electric vehicles. Most of the fees collected are directed to the state highway fund in their state, although some split those revenues with local transportation infrastructure, including charging stations.¹ Massachusetts attempted a version of vehicle miles travelled statute this year without success.

One question often comes up about whether a surcharge disincentivizes the purchase of EVs. I do not have that research but it seems to me that there is plenty of data available to be mined since three states have had EV fees for at least 10 years, and eight states have had such statutes in place for eight years. The remaining 28 states have implemented their fees in the last 7 years, when the purchase of EVs have soared; sales in the US doubled between 2018 and 2021. And in 2023, California, Oregon and Colorado – all states with user fees for EVs – had the most all-electric vehicles per capita. I'm happy to share the data I found.

There are clearly a lot of ways to cut this issue. This is my attempt to add fairness to the costs of fixing the roads. I deeply appreciate the work that this Committee and MDOT do. I thank you for your time and will do my best to answer any questions you have.

¹ Special Fees on Plug-In Hybrid and Electric Vehicles (NCSL Special Registration Fees for Electric and Hybrid Vehicles, updated February 2025).