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Bruce A. Van Note
COMMISSIONER

**Testimony of
Bruce Van Note, Commissioner
Maine Department of Transportation
Before the 132nd Legislature, Joint Standing Committee on Transportation**

In Opposition to

**LD 1809
*An Act to Further Stabilize Highway Fund Revenue***

May 6, 2025

Senator Nangle, Representative Crafts, and distinguished members of the Joint Standing Committee on Transportation, my name is Bruce Van Note. I am the Commissioner of the Maine Department of Transportation. Although I certainly agree with the goal of further stabilization of the Highway Fund, specific elements of this bill appear problematic, and I thus appear before you in opposition to LD 1809.

Initially, I want to thank the sponsor for looking for ways to bolster the Highway Fund. As set forth in my testimony on LD 274, the FY26-FY27 Highway Fund budget, there are big challenges ahead regarding transportation capital funding needed in future biennia. Looking for solutions to this chronic and daunting challenge should be applauded.

LD 1809 proposes three new revenue streams for the Highway Fund: (1) a \$1 toll surcharge imposed by the Maine Turnpike Authority (MTA) on passenger vehicles not registered in this State, (2) annual registration surcharges fee on battery electric vehicles and plug-in hybrid electric vehicles, and (3) a delivery fee of 50 cents per delivery imposed and collected at the time of a sale of at least \$100 of tangible personal property tax that is subject to sales tax.

These proposals have some legal and policy challenges. First, the toll surcharge on out of state residents may be in violation of the Commerce Clause of the US Constitution and warrants guidance from the Maine Office of the Attorney General. It would also cause substantial impacts on the MTA that should be carefully evaluated. Second, a registration surcharge on EVs, the subject matter of LD 622 pending before this Committee, has been adopted in many states across the country. It needs to be evaluated in the context of climate goals and the general policy of this Administration against new taxes or fees. Third, the delivery fee proposal is a new fee with potential implementation challenges that also runs counter to the Administration's policy on new fees.

As a long-time transportation funding advocate, I want to again thank the sponsor for looking for solutions. I look forward to engaging in a discussion at work session and would be happy to answer questions you may have.