



Department of the Secretary of State Bureau of Motor Vehicles

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JOINT STANDING COMMITTEE ON TRANSPORTATION

L.D. 1875 An Act to Create Equity in Maine's Highway Funding by Imposing a Road Use Fee for Eclectic Vehicles

Testimony of Shenna Bellows, Secretary of State and
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Department of the Secretary of State

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Senator Nangle, Representative Crafts, Members of the Transportation Committee. I am providing testimony in opposition to L.D. 1875 "An Act to Create Equity in Maine's Highway Funding by Imposing a Road Use Fee for Electric Vehicles."

This bill amends Title 36, the statutes regarding tax laws. It imposes a road use fee on battery electric vehicles and plug-in hybrid electric vehicles based on the number of miles the vehicle is driven in the previous year. This fee is in addition to the vehicle registration fees imposed under Motor Vehicle Laws, in Title 29A.

The bill requires a person registering an electric vehicle to complete at the time of registration, a form stating the mileage of the electric vehicle and to submit the form to the municipality in which the electric vehicle is registered. The municipality is required to send the forms to the Department of Administrative and Financial Services, Bureau of Revenue Services. Based on the mileage accumulated by that electric vehicle during the prior registration period, the Bureau of Revenue Services must assess an electric vehicle fee and send a bill to the registrant. If the bill is not paid within 45 days, the registration must be suspended. The bill doesn't address it, but we assume the intent is for the Bureau of Revenue Services to notify the Bureau of Motor Vehicle to suspend the registration and then to reinstate that registration once the fees are paid in full.

The fees due by the registrant would be assessed for battery electric vehicles at 1.0¢ per mile and for plug-in hybrid electric vehicles at 0.5¢ per mile. The bill explains the per mile rate is tied to the gasoline tax rate imposed on internal combustion engine fuel of 30¢ per gallon; if that rate changes, the per mile electric vehicle rate also changes.

Revenue collected from this electric vehicle road use fee is used to temporarily suspend the gasoline tax for the number of days equivalent to a ratio of fees to total gasoline tax revenue. The tax assessor is required to inform the Governor and the Transportation and Taxation Committees of the number of days to suspend the gasoline tax. The Governor is required to determine and announce the dates of the gasoline tax suspension.

While the Bureau of Motor Vehicles would not have an active role in determining or assessing the fees, there are several unanswered questions that would either directly or indirectly impact our department and the vehicle registration records.

Here are a few examples of our concerns:

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- Who pays the new Electric Vehicle Road Use Fee when the vehicle ownership changes mid-registration year?
- How are the miles tracked when ownership changes hands multiple times in a year?
- Who is responsible for the fees when mileage accumulates while a dealer, lending institution, or insurance company has possession of a vehicle since they do not register the vehicle in their name?
- How are the fee assessed on a used vehicle registered for the first time in Maine by an owner that recently moved to Maine?
- Does the owner have a right to a hearing to dispute the fees before the vehicle registration is suspended?
- How will the Bureau of Revenue Services notify the Bureau of Motor Vehicles when a registration must be suspended?

As you know, if the answers to any of these questions require us to modify the functionality in our computer system or town computer systems, there will be costs associated with it.

We believe the concept of vehicle fees based on the miles traveled is a potential replacement for the gas tax for all vehicles at some point in the future, but it is a complex solution that requires consideration of many issues that will need to be addressed before it can be implemented. It is for this reason we believe the responsible response to this bill is to urge you to vote unanimously ought not to pass.

Thank you for your time and I would be happy to answer your questions.