



SIERRA CLUB

MAINE CHAPTER

PO Box 3760
Portland, ME 04104
Phone: (207) 761-5616
www.sierraclub.org/maine

To: Joint Committee on Transportation
From: Andrew Blunt, Sierra Club Maine
Date: April 30, 2025
Re: **Testimony in Opposition to L.D. 622: *An Act to Implement a Surcharge on Electric Vehicle Registration***

Dear Senator Nangle, Representative Crafts, and Members of the Joint Committee on Transportation,

I write on behalf of the Sierra Club Maine Chapter, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nationwide as we work towards combating climate change and promoting a just and sustainable future for all people. To that end, we urge you to vote "Ought Not to Pass" on L.D. 622.

Our highway fund has a serious and systemic funding problem. According to the Maine Center for Economic Policy, the Highway Fund will be \$280 million short by 2027.¹ This shortage is due almost completely to the decoupling of the gas tax from inflation in 2011, locking in our gas tax at 30 cents per gallon. Over the past 14 years, the cost of road construction and repair has increased substantially, opening this gap. That same MECEP study found that this policy change is responsible for 86% of the funding gap we see today.

Our state needs reliable and well-kept roads and I applaud this Committee for committing to solve our transportation funding problem.

But we need to be careful about how we approach this problem. Taxing electric vehicles is not the answer.

- **We need to be encouraging EV adoption, not taxing it.** EVs and plug-in hybrids are only 1.7% of the cars on the road, and Maine lags behind on EV adoption nationally. We are still quite early on in the adoption of EVs in Maine, and we cannot afford to put up any additional financial burdens if we really want to encourage the transition. And \$250 surcharge would be one of the highest EV surcharges in the nation. \$250 also appears to be arbitrary, since the average driver in Maine, based on average driving rates and gas mileage, pays only about \$158 per year in gas taxes. However, at this time, any EV surcharge, especially one of the highest nationwide, is certain to slow our transition to EVs and counteract existing incentives.

¹ <https://www.meccep.org/blog/highway-fund-shortfall-highlights-the-need-for-sustainable-revenue-solutions/>

- **EVs are not the driving force behind road damage.** EVs did not cause our funding shortage, and this fee will not solve it. While EVs tend to be heavier than their combustion-engine counterparts, heavy trucks and storms linked to climate change are the biggest drivers of road deterioration in Maine, not EVs. EVs make up such a small percentage of cars using Maine roads; their impact on road wear at this time is minimal.
- **We need substantial transportation funding solutions, not small revenue streams.** This proposal seeks to make up for lost revenue from EV drivers not paying the gas tax, but we are dealing with over a decade of lost revenue from inflation. This fee would not meaningfully close our funding gap. Based on its fiscal note, this proposal would only generate about 3% of the \$280 million projected highway fund shortfall through 2027, a gap that is growing year over year. It is certainly not worth adding additional costs to EV adoption, if we are not making serious progress to close our transportation funding gap by doing so.
- **We need streams of transportation funding that do not conflict with our state's climate goals.** Creating a new tax on EVs will disincentivize electrification and will work cross-purposes to our state's climate goals. Given the importance of transportation to our statewide emissions, it is crucial that we work together to facilitate EV adoption by keeping prices low, maintaining robust incentives, and expanding statewide charging infrastructure. We must seek alternative streams of transportation funding that do not conflict with our climate goals.

An EV tax, as proposed here, will not solve our transportation funding problem. It will, however, penalize Maine drivers for trying to invest in lowering their household expenses and contributing to a carbon free future.

There are also other solutions on the table that match the systemic nature of our transportation funding shortfall, without taxing beneficial electrification. We encourage the committee to seriously consider two solutions proposed in L.D. 1809, presented by Representative Dan Ankeles from Brunswick: 1) A \$1 fee on any passenger vehicle that uses the turnpike and is not registered in Maine, and 2) A delivery fee of 50 cents per delivery on sales of at least \$100. Both of these options provide better alternatives for raising revenue than an EV surcharge.

Thank you for your consideration, and for the above reasons, we urge an 'Ought Not to Pass' vote on L.D. 622.

Sincerely,

Andrew Blunt
Sierra Club Maine Chapter
Legislative and Political Strategist