



Testimony in Opposition to LD 1809:
“An Act to Further Stabilize Highway Fund Revenue”

Senator Nangle, Representative Crafts, and the distinguished members of the Committee on Transportation, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 1809.

We recognize the need to maintain and improve Maine’s transportation infrastructure. However, LD 1809 proposes a misguided trio of new levies that undermine economic liberty, place disproportionate burdens on consumers, and expand government reliance on inefficient tax schemes that penalize behavior rather than encourage innovation and growth.

Toll Surcharge on Out-of-State Vehicles

The proposed \$1 toll surcharge on out-of-state noncommercial passenger vehicles using the Maine Turnpike sends the wrong message to the millions of tourists and visitors who contribute substantially to Maine’s economy. This kind of punitive “border tax” disincentivizes travel into the state and risks retaliatory measures or negative economic spillovers for businesses near the turnpike. Hospitality, tourism, and retail sectors—already vulnerable to labor shortages and high inflation—will bear the brunt of this unnecessary deterrent.

Targeting Electric Vehicle Owners with Extra Fees

LD 1809 imposes a \$200 fee on battery electric vehicles (EVs) and a \$100 fee on plug-in hybrids under the pretense of fairness in transportation funding. Yet, EV adoption is still in its early stages in Maine, and these fees will actively suppress a burgeoning segment of the vehicle market that helps consumers reduce fuel costs and emissions. Additionally, instead of fighting to reduce Maine’s growing government spending, it would seek to increase revenues through new fees. Rather than solving the funding gap, these fees punish early adopters and middle-income families trying to reduce transportation costs. Fees related to EV ownership intended to equalize the costs borne by vehicle consumers to fund road maintenance should be well thought out, not random.

Delivery Fee: A Regressive, Hidden Tax on Online Commerce

Another regressive and economically distorting provision is the 50-cent delivery fee on goods totaling \$100 or more. It penalizes families who rely on online purchases due to



rural isolation, disability, or lack of transportation options. Small businesses, many of which now depend on direct delivery to customers to stay afloat, would also face higher compliance costs and customer dissatisfaction.

Like other hidden taxes, the delivery fee is a stealthy revenue grab that will be passed directly onto consumers. It violates principles of transparency in taxation and will disproportionately affect low-income Mainers who increasingly turn to online commerce for affordability and convenience.

Conclusion

LD 1809 represents a patchwork of tax increases and surcharges that treat taxpayers and consumers as mere revenue sources rather than free citizens in a competitive economy. Rather than burdening Mainers with new fees, the Legislature should pursue reform of wasteful transportation spending, prioritize infrastructure investments, and explore alternative mechanisms for funding, such as dedicating a greater share of existing sales tax revenue from vehicles to the Highway Fund.

For these reasons, we respectfully urge this committee to reject LD 1809. Thank you for your time and consideration.