The Maine Heritage Policy Center
Testimony to Oppose LD 1257
"An Act To Prepare Maine for a Low-carbon Transportation Future"

Senator Diamond, Representative McLean and distinguished members of the Committee on Transportation, my name is Adam Crepeau and I am a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to testify in opposition to LD 1257, "An Act To Prepare Maine for a Low-carbon Transportation Future."

The Maine Heritage Policy Center opposes this legislation because it creates another unnecessary tax on individuals in the state of Maine and would grow the size and scope of government by creating an "electric vehicle task force." At least 50 percent of the funds collected from the surtax would be used to construct or modify public infrastructure that facilitates the charging of electric vehicles or to encourage the purchase and use of electric vehicles by the general public.

Once there are 3,000 fully electric vehicles registered in the state, owners will be charged an additional $25 by a municipality upon registration. The surtax will be increased to $50 annually once the number of electric vehicles registered in Maine reaches 10,000 or more. At least 50 percent of the funds collected are to be earmarked to encourage the use of electric vehicles and build infrastructure that facilitates charging in the municipality. Thus, this bill essentially creates a tax on electric vehicles to encourage the expanded use of electric vehicles. Not only is this counterintuitive, it is not sound tax policy.

According to the National Conference of State Legislatures, 21 states impose a fee on electric vehicle ownership.[1] As of 2018, approximately 1,300 electric vehicles were registered in Maine with roughly 400 of them being powered exclusively by electricity.[2] Therefore, Maine would need to register more than seven times the current number of all-electric vehicles before this surtax kicks in. Instead of proposing a surtax to subsidize charging station infrastructure and encourage electric vehicle use, these efforts should be left to the free market. If building this infrastructure to encourage the use of electric vehicles were a good return on investment, private companies would have already acknowledged the benefits.

The "electric vehicle task force" would be in charge of devising proposals to increase the use of electric vehicles, expand the construction of electric vehicle infrastructure, create a five to ten year plan to carry out those projects, and decide how to spend the funds distributed to the state from the Volkswagen Partial Consent Decree. In short, this task force would be developed to recommend how this new funding should be spent and to create a report for both the Energy, Utilities and Technology and Transportation Committees. At best, this bill merely creates another bureaucratic entity within state government with the

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[1] http://www.ncsl.org/research/energy/new-fees-on-hybrid-and-electric-vehicles.aspx
[2] https://www.nrcm.org/wp-content/uploads/2018/09/EVsurveyandmap.pdf

purpose of making recommendations to the legislature on how to spend the new revenue stream. Mainers would likely see no tangible benefit from passage of LD 1257.

Further, this bill directs the Department of Transportation to examine and analyze how state government can secure another stream of revenue, other than the gasoline tax, for the Highway Fund. The recommendations from the Department of Transportation would be presented to the legislature for consideration. These recommendations may include new or additional taxes and fees for virtually all Mainers that travel or own vehicles, especially if the number of gasoline-powered vehicles decreases.

This is state government at its worst - bolstering specific industries and picking winners and losers to secure a steady stream of revenue. Because LD 1257 expands the size and scope of state government and creates a surtax on electric vehicles, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on this bill. Thank you.