



## Maryland Chapter

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**Committee:** Budget and Taxation

**Testimony on:** SB 331 - “Vehicle-Miles-Traveled Tax and Associated Mandated Devices - Prohibition”

**Position:** Oppose

**Hearing Date:** February 5, 2020

**The Maryland Sierra Club, joined by Coalition for Smarter Growth, strongly opposes Senate Bill 331.** This bill would prohibit the State or a local jurisdiction from imposing a vehicle-miles-traveled (VMT) tax or similar fee directly or indirectly, including through a third-party agreement or as part of a pilot program or study. The bill also would prohibit requiring that a device be installed in a private vehicle to enable reporting VMT.

Road usage fees or taxes are increasingly being considered as a transportation infrastructure funding mechanism to replace or supplement gasoline taxes, which have been generating less revenue each year because more fuel-efficient vehicles are being driven.

Washington, California, and Colorado have run pilot programs on road usage charges and Oregon has one underway. Kentucky, New Mexico, New York, and Oregon currently impose VMT fees on commercial trucks, and Illinois and Rhode Island are preparing to impose similar fees. Fifteen states in the Western Road Usage Charge Consortium are considering charging drivers for miles driven. Utah imposes a road usage charge only on alternative fuel vehicles including hybrids, plug-in hybrids, and EVs.

Internationally, numerous countries (Austria, Belgium, the Czech Republic, Germany, Hungary, Poland, Russia, Slovakia, and Switzerland) have implemented various forms of VMT fees on trucks, and a similar program is under development in Bulgaria. New Zealand has a VMT fee for diesel-powered cars and heavy vehicles.

In summary, VMT taxes or fees are a viable means for obtaining needed funds to fund highway, bridge, and other transportation infrastructure repair and improvements. VMT fees also encourage less driving which would reduce greenhouse gas and nitrogen-oxide emissions from petroleum-powered vehicles. Similarly, VMT fees encourage greater use of mass transit, bicycling, and walking, which is much better for the environment and our health.

Prohibiting Maryland and local jurisdictions from enacting any form of a VMT tax or fee would limit the options available for consideration to address legitimate governmental goals and needs. The Maryland Sierra Club urges this committee to issue an unfavorable report on this bill.

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Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has about 70,000 members and supporters, and the Sierra Club nationwide has more than 800,000 members.