

Testimony to the Senate Budget and Taxation Committee
SB 841 Transportation - Motor Fuel Tax Rates, Vehicle-Miles-Traveled Tax, and Firebox
Recovery Requirement (Transportation Equity, Fairness, and Privacy Act of 2024)

Position: Unfavorable

25 February 2024

The Honorable Guy Guzzone, Chair
3 West, Miller Senate Office Building, Annapolis, MD 21401

Honorable Chair Guzzone and Members of the Senate Budget and Taxation Committee:

My name is Scott Wilson, and I currently drive a 2017 Chevy Bolt EV and a 2013 Nissan Leaf. I serve on the Maryland Zero Emission Electric Vehicle Infrastructure Council, and I'm also Vice President of the Electric Vehicle Association of Greater Washington DC. The following remarks are entirely on my behalf.

As an EV driver, I want nothing more than to pay my fair share in road taxes. I don't like potholes any more than the next guy.

The Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN) took testimony last year and will make final recommendations at the end of this year. The Interim Report last January recommended only that the General Assembly consider options to collect revenue for the TTF, which I support. We should let TRAIN finish its work by allowing it to take the time to consider a broad range of funding options, most of which are already being used or piloted in other states. The General Assembly should base TTF revenue policy on the TRAIN conclusions, and not preemptively eliminate TTF funding options.

The best funding option is a solution that is both fair and which would **permanently solve TTF funding**: abolishing the gas tax and replacing it with a Road Usage Charge (RUC) also known as a Vehicle Mile Tax (VMT). A VMT is the fairest solution since it would charge vehicles in direct proportion to their road use. The more you drive, the more you pay, the less you drive, the less you pay, which is the way gas cars are taxed now. In fact, the gas tax has always been a proxy for a VMT, but that proxy is breaking down.

Testimony at TRAIN has shown that the real cause of declining TTF revenue is primarily the decrease in gasoline purchases due to increasing Corporate Average Fuel Economy (CAFE) standards in the wider fleet. CAFE standards will continue to rise, raising a fair question about whether, for example, hybrids like the Toyota Prius are or will be "paying their fair share".

It would be better to take gasoline out of the equation entirely. Charge vehicles in proportion to the amount they drive, not the amount of gas they burn.

There are many ways to phase in a VMT which includes **robust and verifiable privacy protections**, and we can learn from the states that are already doing so. Oregon¹, Utah², Virginia³, and even deep red Oklahoma⁴ all have active or pilot VMT programs. Washington, California, Nevada, Colorado, Minnesota, Pennsylvania, North Carolina, New Jersey, Delaware, Hawaii, and Maine all have VMT pilots. 20 other states, including Maryland⁵, are researching VMT programs through multi-state consortia. The National Conference of State Legislatures⁶ has shown that VMT programs are affordable, effective, and **privacy-protecting**. The TRAIN Commission has taken testimony⁷ which included VMT and has stated it will consider VMT in 2024. VMT is thus a viable potential TTF funding option, and preemptively prohibiting it would be short-sighted transportation policy.

As an EV driver, I want nothing more than to pay my fair share. Let's not get in front of the TRAIN, let's wait for the TRAIN to come in.

Thank you for your time,

Scott Wilson

¹ <https://www.myorego.org/>

² <https://roadusagecharge.utah.gov/>

³ <https://www.dmv.virginia.gov/vehicles/taxes-fees/mileage-choice>

⁴ <https://www.fairmilesok.com/>

⁵ <https://tetcoalitionmbuf.org/>

⁶ <https://www.ncsl.org/resources/details/ncsl-road-usage-charges-summit-agenda-presentations-june-2022>

⁷ Ed Regan "2023 Outlook on Fuel Tax Sustainability" at [2:12:45 https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmte=tri&clip=APP_8_24_2023_meeting_1&ys=2023rs](https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmte=tri&clip=APP_8_24_2023_meeting_1&ys=2023rs)