Before the House Transportation Committee Presented by Zack Pistora, Kansas Sierra Club Oral Opponent on HB 2121 2-5-25



Chairman Francis and Honorable Members of the Committee,

Thank you for the opportunity to submit opponent testimony on HB 2121, a bill that increases the annual licensing fees of hybrid and electric passenger vehicles, trucks, and motorcycles. HB 2121 also changes the way fees are distributed to the State Highway Fund and the special city and county highway fund.

While we appreciate the legislative intent to adjust highway fees based on increasing sales for electric vehicles, especially new electric trucks and motorcycles, in the hopes of achieving fairness for paying for Kansas' roads and highways, **HB 2121 doesn't account for the unique characteristics and impacts (like less vehicle miles driven, less air pollution, and more) associated with electric vehicles compared to other vehicles and therefore overburdens electric vehicle drivers with punitive registration fees.**

The Kansas Chapter of Sierra Club has been involved in several discussions over the years with the Kansas Legislature and stakeholders on the promise and challenges of electric vehicles (EV), including the EV road repair compromise in 2019 (HB 2214).

The Sierra Club recognizes that funding for transportation infrastructure, including transit and road maintenance and operations, may face challenges as gas tax revenues decline due mostly to more efficient gasoline powered vehicles and the gas tax not adjusting with inflation. The Sierra Club supports the consideration of a wide array of solutions, including fees based on weight or vehicle miles traveled or the energy intensity of fuels. Ideally, no fees should be instituted on drivers of electric vehicles as a singled out group until the sales trajectory reaches the levels needed to reach our shared climate protection targets. We should be incentivizing rather than discouraging drivers for shifting to cleaner vehicles.

Here are the current registration fees and proposed changes with HB 2121 are in *italics*:

1) (2) for motorcycles, **\$16**; (3) for those motorcycles that are all-electric motorcycles, **\$30**;

(4)(A) For those [passenger vehicles] having a gross weight of 4,500 pounds or less, **\$30**;

(B) for those [passenger vehicles] having a gross weight of more than 4,500 pounds, **\$40**;

(C) for those motor vehicles that are electric hybrid or plug-in electric hybrid vehicles, \$50 \$100;

(D) for those motor vehicles that are all-electric vehicles, \$100. \$175; and

(5)(b)(1)For a [truck] gross weight of 12,000 lbs. or less unless otherwise provided.......**\$40** For a gross weight of 12,000 lbs or less and the truck is an electric hybrid or plug-in electric hybrid...**\$125** For a gross weight of 12,000 lbs or less and the truck or truck tractor is all-electric.. **\$200**

As you can see, all-electric vehicles already pay 2 and a half times more into the State Highway Fund than conventional internal combustion engine (ICE) vehicles regardless of vehicle-miles driven or wear-and-tear on the road; HB 2121 would make that more than 4 times more! Plug-in hybrid vehicles already pay \$10 more into the State Highway Fund per their gas fill-ups; HB 2121 would make that 2.5 times more than ICE equivalent. The Kansas Legislature passed the 2019 law to resolve the EV road repair concern and EVs are arguably already paying their fair share into the State Highway Fund.

The big problem with HB 2121 is that it seems to overlook the data that drivers of electric vehicles actually drive fewer miles than average conventional vehicle drivers.

According to a recent comprehensive study by George Washington University's Dept. of Engineering and National Renewable Energy Laboratory, odometer readings from millions of used cars and SUVs listed

between 2016 and 2022 reveals that battery electric vehicles (BEVs) have accumulated fewer annual miles than conventional gasoline vehicles (CVs): 7,165 compared with 11,642 for cars, and 10,184 compared with 12,979 for SUVs. So, battery electric vehicles do not use the roads as much as ICE vehicles. Average miles driven are not the same for each vehicle type, thus HB 2121 may be unfairly appropriating a higher registration fee on EVs and plug-in hybrids than their real use of the roads. See figure below:

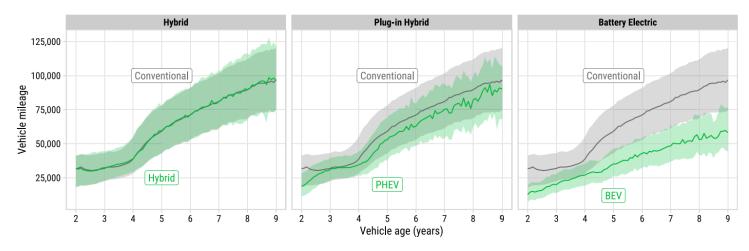


Figure 1. Comparison of the median and interquartile ranges of car odometer readings by powertrain and age The solid line shows the median mileage and the bands reflect the 25th and 75th percentiles. The same curve for CVs (in gray) is shown for comparison in each sub-figure.

Want Equity in Road Repairs? Increase Fees on the real "Road Wreckers"

Compared to traditional fuel-combustion vehicles, electric and hybrid vehicles are advantageous to their heavyweight counterparts when it comes to road damages, road safety, air pollution, congestion, noise, and more. Especially compared to heavy trucks and commercial vans, electric and hybrid vehicles comprise the preferred set of vehicle traits, being lightweight and quiet, and often travel a shorter amount of miles due to range limits. They produce much less noise than diesel motors, emit much less air pollution, and are also better for overall road safety compared to big trucks and SUVs too. Furthermore, electric vehicles may help the broader needs of increased demand to the electrical grid, which could offset cost incremental costs of electricity.

Road Repair costs have presumably gone up, but the State's Gasoline Tax has stayed the same for decades:

According to <u>KS Dept of Revenue data</u>, the Kansas Motor Fuels Tax has stayed at 24 cents per gallon since fiscal year 2004. Meanwhile, the cumulative price increase over the last 20 years is 65 cents on the dollar (according to the Bureau of Labor Statistics CPI Inflation Calculator). [The average price of gasoline has risen about \$1 over that same time period, but that additional cost doesn't really affect the gas tax]. Put another way, while the cost value of road repair has gone up with inflation through the years, the amount collected per gallon for the road repair has been lagging. So, if we want to have a real conversation about the future of the State Highway Fund, we need to consider increasing the gas tax consistent with inflation.

In sum, we think HB 2121 is unfair and needs a "tune-up." We also think the Legislature needs to put a pollution tax on gas guzzlers, increase fees on heavy trucks, and/or consider increasing the gasoline tax. Sincerely,

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The Sierra Club is the largest grassroots environmental organization dedicated to enjoying, exploring, and protecting our great outdoors. The Kansas Chapter has been our state's strongest grassroots voice on environmental matters for fifty years.