

Testimony regarding H5076 Article 5 Section 3–EV Registration Fee

Dr. Barbara K. Sullivan Watts, 2 Locust Drive Kingston, RI 02881 for Citizens Climate Lobby Rhode Island Chapter

Date of Hearing: Feb 25, 2025

Dear Chair Abney and Members of the House Finance Committee,

I am writing concerning the Governor's proposed new registration fee on Electric Vehicles (EVs) in the 2026 budget bill H5076, Chapter 5, Section 3. My name is Barbara K. Watts. I live in Kingston RI. I am the State Coordinator of the Rhode Island Chapter of Citizens' Climate Lobby, a national, non-partisan organization whose primary goal is to curb climate emissions. Our goals are aligned with the mandate of the Act on Climate for RI.

Because transportation is the largest source of greenhouse gas emissions in Rhode Island, managing transportation to reduce emissions is a must. As a result, the Governor's proposal places the state and environmental organizations like ours in a dilemma. Do we risk discouraging adoption of EVs through additional taxes at a time when EVs are still only 3% of vehicles in Rhode Island? But of course, we do recognize that as EVs become a larger proportion of the market, revenue from the gas tax will decline

Many members of our organization are EV owners, including myself. We understand the need to pay the costs of road maintenance, and we highly value adequate funding of mass transit due to its potential to reduce carbon emissions. But we ask the Governor to take a holistic approach to funding these important needs.

It is clear that the current gas tax is falling short of creating the funds needed to support the road infrastructure and RIPTA. However, the Governor's proposal of the tax on the small number of EVs is not a solution. The current gas tax is too low with or without a shortfall due to EV adoption. And since the proposed EV tax increases in step with the gas tax it will never make up for the shortfall, no matter how many EVs there are.

Looking to the future, other sources of funding besides the gas tax must ultimately be devised. We anticipate that the EC4 2025 Climate Action Strategy will guide the state to forward-looking proposals that meet both the emissions mandates and the practical and future needs of road maintenance and RIPTA. For example, **all** vehicles could have their registration fees increased and based on weight. This would have the beneficial effect of discouraging large vehicles, both gas powered and electric. This would result in both lowered greenhouse gas emissions per mile and less wear on the roads.

Thus, we suggest an amended version of the new registration fee for battery-electric and hybrid vehicles that the governor has proposed in the 2026 budget bill H5076, Chapter 5, Section 3. We request these changes:

- 1) The fee at this early date for EVs should be delayed to avoid decreased sales of EVs.
- 2) We are disappointed that the Governor's budget plan does not explicitly apportion the registration tax toward mass transit as well as road maintenance. We ask that 30% of the revenues collected be allocated to the RIPTA Operations budget.

3) The fee structure should be graduated based on vehicles' weight, for all vehicles.

Please consider these amendments to the new fees in the Governor's budget. It is important to get this right from the start!

Barbara K. Watts

2 Locust Drive

Kingston, RI 02881

Citizens Climate Lobby

<https://citizensclimatelobby.org/>



Citizens' Climate Lobby
Rhode Island