



December 12, 2022

The Honorable Brian Baldrige
Chair, Transportation and Public Safety Committee
1 Capitol Square
Columbus, Ohio 43215

HB 346: Reduce additional registration fees for certain motor vehicles
Position: Support

Dear Chair Baldrige:

The Alliance for Automotive Innovation¹ (Auto Innovators) is writing in **support of HB 346** which reduces registration fees for plug-in hybrid electric vehicles (PHEVs) and traditional hybrid vehicles. Auto Innovators represents automakers, original equipment suppliers, as well as technology and other automotive-related companies. Collectively, our members have invested billions of dollars in the state and employ tens of thousands of Ohioans at numerous facilities. These investments have made Ohio one of the top auto producing states.

Our members have made enormous investments to promote electric vehicle technologies, spending tens of billions of dollars on research and development, assembly plant modifications, production and promotion of plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs), and fuel cell electric vehicles (FCEVs).

Electric Vehicles Should Be Supported

Like many states, Ohio must confront the fiscal challenges of adequately funding an aging transportation system in the face of falling gas tax receipts. Environmental and energy security concerns have led to the enactment of state and federal policies to encourage energy source diversification and to stretch any petroleum ultimately used. Less fuel consumption – be it through improving efficiency of internal combustion engines or the increased use of alternate fuel sources – results in decreased revenue from the fuel tax.

The current fees on EVs in Ohio are among the highest in the country and are not aligned with what drivers of gas-powered vehicles pay in annual gas tax. Additionally, even though PHEV

¹ The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Members include motor vehicle manufacturers, original equipment suppliers, technology and other automotive-related companies and trade associations. The Alliance for Automotive Innovation is headquartered in Washington, DC, with offices in Detroit, MI and Sacramento, CA. For more information, visit our website <http://www.autosinnovate.org>.

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owners already pay the gas tax every time they fuel their vehicle, Ohio's current fees on these vehicles amount to double taxation. Taxing owners of PHEVs twice can only be seen as a disincentive to adoption of the technology. Given that the average purchase price of an EV can be significantly more than a gas-powered vehicle, purchasers of EVs are also making significant contributions through the sales tax. HB 346 recognizes that current law disproportionately penalizes drivers of PHEVs and traditional hybrids and we support the appropriate reduction in fees for these technologies.

Federal, state, and private studies consistently conclude that consumer acceptance of this technology is critically important, cite price as a barrier to adoption of the technology, and note the need for additional incentives. Some of those studies also highlight that market demand can be greatly influenced by the experience and opinions of the early adopters of this technology.

Given the pace of electric vehicle adoption in Ohio, the current high registration fees will not raise significant revenue and may serve to discourage electric vehicle adoption. Although we understand the state's need to raise adequate road funding, HB 346 would end the double taxation drivers of PHEVs and traditional hybrids currently face in Ohio.

Thank you for your consideration of Auto Innovators' request. Please do not hesitate to contact me at jfisher@autosinnovate.org or 202-326-5562, should I be able to provide any additional information.

Sincerely,



Josh Fisher
Director, State Affairs
Alliance for Automotive Innovation