



**Testimony before the Ohio State Senate Transportation Committee**  
**Re: Electric Vehicle Registration Fees**  
**March 17th, 2021**  
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Hello, and thank you for the opportunity to submit testimony on this important topic. My name is Alexis Blomqvist, and I have spent the last year and a half working on clean energy solutions in Ohio, which is beloved to me as my home state and also as the place that allowed me to grow my professional passion for this work. I am now a Program Associate with EVHybridNoire, which represents the nation's largest network of diverse electric vehicle drivers and enthusiasts, including EV drivers in Ohio. We are a Black-led, justice-centered organization founded by a native Ohioan and former Ohio State faculty member. Our mission is to advance electric vehicles (EVs), electric buses, and other transportation electrification (or "e-mobility") solutions across the U.S. -- and ensure those solutions are inclusive and equitable. We do that by engaging with communities often left out of e-mobility discussions, advocating for e-mobility solutions that benefit underserved communities, and shifting the narrative about e-mobility to be more inclusive of diverse populations.

**Broadly, EVHybridNoire urges Ohio to reject EV registration fees, as they make it more difficult for vulnerable Ohio communities to obtain and benefit from EVs. At a bare minimum, individuals below a certain income level and/or vehicles below a certain price point should be exempt from any EV registration fees.**

Electric vehicles have broad societal benefits, but they also have specific public health, environmental and economic benefits for frontline communities of color. Due to their lower fuel and maintenance costs, electric vehicles can improve the economic security of the most vulnerable Ohioans. In fact, lowered operation and maintenance costs can save consumers between \$6,000-\$10,000 over a typical vehicle's lifetime<sup>1</sup>. EVs can thus both reduce the financial burden of vehicle ownership and expand their owners' mobility options, better connecting families with job opportunities, schools and healthcare. In addition, many EVs now sell for prices comparable to gasoline-powered vehicles, and used EVs often sell for \$5,000+ for pre-owned models, nearly \$30,000 cheaper than the average new internal combustion engine vehicle in 2020<sup>2</sup>.

1. Harto, C. (2020, October). *Electric Vehicle Ownership Costs: Today's Electric Vehicles Offer Big Savings for Consumers*. Consumer Report. <https://www.consumerreports.org/hybrids-evs/evs-offer-big-savings-over-traditional-gas-powered-cars/>
2. Bomey, N. U. T. (2021, January 7). *Want a new car? Get ready to pay more than \$40,000 as prices continue to rise*. USA TODAY. <https://eu.usatoday.com/story/money/cars/2021/01/07/new-cars-trucks-suvs-financing-downpayment-prices/4139776001/>
3. Bauer, G., Hsu, C.-W., & Lutsey, N. (2021, February 16). *When might lower-income drivers benefit from electric vehicles? Quantifying the economic equity implications of electric vehicle adoption* | International Council on Clean Transportation. ICCT.Org. <https://theicct.org/publications/EV-equity-feb2021>

All of this matters even more because transportation costs are not a burden shared equally across demographic groups. According to the U.S Bureau of Labor Statistics, average vehicle-owning U.S. households earning less than \$25,000 spend 50% of their income on vehicle ownership and operation annually, which is nearly three times higher than median-income vehicle-owning households<sup>3</sup>. Making things worse, frontline communities rely *more* on transportation than their counterparts to get access to high-quality education and opportunities for employment. Education and employment access are already stratified by race in Ohio: high school graduation rates are lowest for Hispanic and Black students (74% and 69% respectively) compared to white students who have a graduation rate of nearly 90%<sup>4</sup>. Similarly, the unemployment rate for Black Ohioians is nearly 3 times higher than for white workers, and double the state average<sup>5</sup>. The ability to close gaps in economic security is dependent on transportation that is reliable, flexible, and cost effective, a set of characteristics for which electric vehicles are especially well-suited. Furthermore, the potential of manufacturing EVs in Ohio can offer new and expanded economic and workforce development opportunities for all Ohioans, including underserved communities and communities of color.

From an environmental and public health perspective, zero-emission vehicles like EVs can help bring relief to frontline communities, many of which have been burdened for decades by elevated air pollution stemming from the highways and transportation hubs often built in or near their communities. In Ohio, the American Lung Association says nearly 2.5 million non-white residents are at-risk for exposure to harmful air pollutants, which trigger everything from asthma and emphysema, to cancer and premature death. The three counties with the most dense Black populations - Cuyahoga, Hamilton, and Franklin - score an "F" for high ozone days, while some of Ohio's most monoethnic, white counties - Delaware, Jefferson, and Knox counties - all score a "B" or above<sup>6</sup>. The disparate effects of pollutant exposure are sickening communities of color at disproportionate rates in Ohio, and pose serious threats to their wellbeing and health. The existential threat of air pollution makes zero-emission vehicles an imperative for these frontline communities. These communities are also often hit first and worst by the many impacts of the climate crisis, and EVs are an essential part of cutting the carbon emissions fueling that problem.

But these communities' ability to benefit from EVs hinges in part on EVs' accessibility, and EV registration fees take Ohio in the wrong direction, by stifling EV growth. University of California at Davis researchers found that even a \$100 registration fee could reduce EV sales by 10-20 percent, inhibiting the growth of EVs in communities that have the most to benefit from the technology<sup>7</sup>. Similarly, UC Davis found that, of 2,000 EV owners nationally, a \$100 annual EV registration fee would have led to an 11-19% drop (depending on their type of EV) in the drivers who would have still decided to purchase an EV--and that is *before* accounting for the income levels of the drivers<sup>7</sup>. In today's landscape, where achieving economic security and healthy communities is stratified by race and socioeconomic status, we should do everything possible to

4. Midwestern Higher Education Compact. (2020). *Higher Education In Focus: Essential Performance Indicators for Midwestern States*. <http://www.mhec.org/research>

5. Williams, J. (2020, August). 2020Q1-Q2 | *State unemployment by race and ethnicity*. Economic Policy Institute. <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

6 American Lung Association. (2021). *Report Card: Ohio*. <https://www.stateoftheair.org/city-rankings/states/ohio/>

7. Jenn, A. (2018). Assessing Alternatives to California's Electric Vehicle Registration Fee. *UC Office of the President: University of California Institute of Transportation Studies*. Retrieved from <https://escholarship.org/uc/item/62f72449>

8. Harto, C. (2020, October). *Electric Vehicle Ownership Costs: Today's Electric Vehicles Offer Big Savings for Consumers*. Consumer Report. <https://www.consumerreports.org/hybrids-evs/evs-offer-big-savings-over-traditional-gas-powered-cars/>

9. Bauer, G., Hsu, C.-W., & Lutsey, N. (2021, February 16). *When might lower-income drivers benefit from electric vehicles? Quantifying the economic equity implications of electric vehicle adoption* | *International Council on Clean Transportation*. ICCT.Org. <https://theicct.org/publications/EV-equity-feb2021>

10, 11 Shields, M. (2018, March 12). *Manufacturing a High-Wage Ohio*. The Century Foundation. <https://tcf.org/content/report/manufacturing-high-wage-ohio?agreed=1>

avoid making the proverbial hill steeper and worsening outcomes for the most vulnerable Ohioans.

To further illustrate the negative impacts of EV registration fees, consider the following:

1. **Disincentizing EVs doubly hurts frontline and underserved communities...** As previously mentioned, transportation costs are more burdensome for low-income communities by a factor of 3, which strains the economic burden for other household expenses like housing and healthcare. Adding punitive registration fees for EVs disincentivizes low-income families from purchasing an EV, despite higher relative savings that accrue in the long term.
2. **...delays a critical EV inflection point...** A major benchmark in the development of the EV market is reaching price parity with internal combustion engine (ICE) vehicles, which are currently marginally less expensive than EVs. The price gap between EVs and ICE vehicles is rapidly shrinking as advancements in technology drive down production costs. As the price point of EVs continues to fall, their accessibility increases and widespread adoption could follow. But price parity is not universal; EVs will reach price parity with ICE vehicles for low-income consumers approximately two years after high-income consumers, and EV registration fees could widen that gap further, delaying this critical inflection point.
3. **...inhibits the development of the secondary EV market...** The used EV market would also suffer from any drop in EV sales associated with registration fees. The secondary market for EVs is dependent on widespread adoption and cost reduction for new EVs. Inhibiting the growth of the new EV market therefore inhibits the development of the used EV market and the associated savings that are passed onto used EV drivers. These savings can be 2-3 times as large for a used vehicle as a new one, a substantial margin of savings that can be achieved without the overhead cost of purchasing a new vehicle<sup>7</sup>. Given that nearly 66% of vehicle purchases for households with incomes less than \$50,000 are used vehicles, increasing the market for used EVs is a critical priority for making these vehicles available in low-income areas<sup>8</sup>.
4. **...and impedes the growth of clean energy manufacturing in Ohio:** Ohio's auto manufacturing sector is particularly important for Black workers, whose manufacturing wage premium is \$4.05, which can mean the difference between poverty and stability<sup>10</sup>. Conversely, the contraction of Ohio's manufacturing industry hurt Black workers the most: white workers lost 28.5% of employment due to deindustrialization, compared to 46% employment loss for Black workers<sup>11</sup>. EV manufacturing in Ohio can therefore be a major boon to communities that depend most on a strong auto manufacturing industry,

4. Midwestern Higher Education Compact. (2020). *Higher Education In Focus: Essential Performance Indicators for Midwestern States*. <http://www.mhec.org/research>

5. Williams, J. (2020, August). 2020Q1-Q2 | *State unemployment by race and ethnicity*. Economic Policy Institute. <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

6 American Lung Association. (2021). *Report Card: Ohio*. <https://www.stateoftheair.org/city-rankings/states/ohio/>

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but policymakers must adopt policies that nurture the burgeoning EV industry rather than crushing it.

The benefits of increasing EV accessibility for frontline, underserved and communities of color include economic, environmental and public health benefits that far eclipse the revenue that prohibitive registration fees would generate: less than 1% of total annual state budget revenue can be gained from registration fees, which pales in comparison to the myriad benefits generated by the equitable distribution of electric vehicles, particularly in frontline and underserved communities. We therefore urge Ohio's leaders to reject EV fees, and at a bare minimum exempt low-income households and less expensive EVs from any such fees.

On behalf of the entire EVHybridNoire team and our members, I again thank the committee for the opportunity to submit testimony on this topic, and would welcome any follow-up questions via [Alexis@EVHybridNoire.com](mailto:Alexis@EVHybridNoire.com) from committee members or their staff.

4. Midwestern Higher Education Compact. (2020). *Higher Education In Focus: Essential Performance Indicators for Midwestern States*. <http://www.mhec.org/research>
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- 6 American Lung Association. (2021). *Report Card: Ohio*. <https://www.stateoftheair.org/city-rankings/states/ohio/>
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