



April 7, 2026

Vermont Sierra Club Updated Statement Opposing Premature Adoption of the Mileage-Based User Fee:

The Vermont Sierra Club is concerned that Vermont is rushing to adopt a Mileage-Based User Fee (MBUF) for electric vehicles (EVs) at a time when there are too many uncertainties and challenges facing EV adoption. Prematurely adopting a MBUF would likely lead to confusing regulations and deterrents to EV adoption. A few weeks ago, the Vermont Sierra Club submitted a letter of concern (see the original letter below) regarding a potential MBUF.

We appreciate that the Senate Transportation Committee realizes that Vermont needs to create a path for all vehicles to be subjected to the MBU. However, upon further testimony and review of the proposed policy, we are amending our concerns and are now opposing the premature adoption of the MBUF. **The MBUF should not go into effect until these questions are answered and delayed to 2032.**

Limited or Low Returns in Revenue

Foremost, the [fiscal note](#) provided by the Joint Fiscal Office states that enactment of the MBUF at this time would result in a reduction of dollars to the Transportation fund until FY 28 as compared to the current EV registration fee. The Fiscal Note states:

*“... under current law once an MBUF for BEVs [NEED TO DEFINE BEV] has been enacted the current \$89 annual EV infrastructure fee that is paid by BEVs at the time of registration is repealed. **The repeal of this fee will decrease revenues into the Transportation fund by approximately \$1.3 Million in 2027 and \$1.4 Million in 2028.** When we consider the revenue lost from the repeal the net revenue gained from the enactment of the MBUF is approximately \$1 Million in FY28.”*

Potential Higher Fees for EVs than for Inefficient Gas-Powered Vehicles

Upon review of the fees associated with the MBUF, we are concerned that some EV owners will pay more than owners of highly polluting internal combustion engine vehicles, making the fee a disincentive towards vehicle electrification. Vermont is committed to reducing its transportation emissions, so disincentives for EV's contradict state policy.

Uncertainties with the Continuation of Vehicle Inspections

As there are efforts to discontinue motor vehicle inspections, we feel that the MBUF would create additional hurdles that EV drivers would have to overcome as compared to motorists driving polluting internal combustion engine vehicles.

Adopting MBUF for ALL Vehicles Should be an Optional Alternative to Registration

While we appreciate additional language stating Vermont’s intention to transition the MBUF to apply to all vehicles, we would prefer an optional program that would be an alternative to the vehicle registration fee. This would give the program time to work out unanswered questions.

There Are Too Many Unanswered Questions Regarding Equity And Paying a Fair Share

Finally, as several concerns in our previous letter have not been addressed, we are now concerned that the Vermont Agency of Transportation is prematurely rushing to adopt a policy that has not been adequately designed. Unanswered questions include how to structure the program to be equitable for low and moderate-income individuals, how to capture fees from out-of-state motorists, and how to exempt miles driven out of state. In short, the proposed MBUF would not create a system that ensures users pay their fair share for transportation projects and the cost of polluting.

We see the proposed MBUF as a policy that would undermine one of Vermont’s most efficient climate emission reduction strategies, and contrary to the goal of the Climate Action Plan to electrify transportation. Therefore, the Vermont Sierra Club urges the Legislature to reject the current path of an MBUF and delay the adoption of the fee until 2032. This time would allow policymakers to ensure that an MBUF is equitably structured, creates sufficient revenues, and avoids being an additional barrier to EV adoption.

Sincerely,

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Sierra Club
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=====Sierra Club statement from March 11, 2026=====

Dear House Chair Matt Walker and Senate Chair Westman, and the Members of the House and Senate Committees on Transportation,

The Vermont Sierra Club is submitting concerns to the legislature regarding the Agency of Transportation’s rush to establish a Mileage-Based User Fee. The Sierra Club has been concerned for years with attempts to add additional fees to vehicle electrification, as vehicle electrification is a good tool for rural states like Vermont to transition away from transportation choices that pollute. We believe that, foremost, those who pollute our air and climate should first pay for their damage before electric vehicles pay more for the roads than internal combustion engines.

For years, electric vehicle opponents tried to establish fees; however, we urged caution since the electric vehicles were not the reason for transportation budget shortfalls and are still an emerging technology. The lack of transportation planning and the increase in efficiency in vehicles are mostly responsible for funding shortfalls in transportation revenues, not the electric vehicles. We believe that instead of penalizing electric vehicle adoption, states should establish policies that still support the transition, while also funding transit and active transportation options to reduce vehicle miles travelled.

Therefore, we have concerns with the Agency of Transportation's proposal to establish a mileage-based user fee and suggest the following:

1. A mileage-based user fees established for all vehicles, instead of just being applied to electric vehicles. It is well established that the gas tax is inadequate to pay for transportation projects, so moving all vehicles to a mileage-based user fee would ensure equality in assessing fees based on driving patterns.
2. Vermont adopting a mileage-based user fee, adjusted for inflation, for all vehicles. Inflationary adjustments should be linked to the gas tax if the intent is for all drivers to pay for their "fair share". The Agency of Transportation has stated that with fluctuations in oil prices and tariffs, paving, maintenance, bridge, and road construction, and equipment purchases have all increased, while gas tax revenues have remained flat.
3. Drivers who frequently travel out of state should be given the option of voluntarily using an electronic monitoring system to deduct their out-of-state travel. We understand that not all drivers exclusively drive in Vermont, and for some, that could be an unfair burden.
4. The Agency's proposal fails to capture the impacts on our roads and air quality from out-of-state drivers. Approximately 25% of current gas tax revenues are obtained from out-of-state drivers, and with increased electrification, those drivers aren't paying their fair share. Included with any mileage-based user fee surcharge should be a modest increase in the rooms' tax.
5. Mileage-based user fees unfairly impact lower-income Vermonters, since, as in many cases, lower-income Vermonters must drive further to their places of employment. As the Mileage Smart program and low-income incentives have been terminated, we suggest delaying until 2032 the mileage-based user fee for all Vermonters who had qualified for Mileage Smart or the low-income incentive, or would have qualified now.

With current prices again skyrocketing for gasoline and oil due to America's war with Iran, Vermont needs to make sure its policies are removing Vermonters from dependency on fossil fuel-driven automobiles. Vermont can drive itself to affordability by encouraging electrification and protecting Vermonters from volatile oil prices.

The Vermont Sierra Club urges the legislature to rethink the plans to adopt a mileage based used fee that only applies to Vermont drivers, but leaves out the primary causes of transportation revenue shortfalls.

Respectfully submitted,

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