



January 25, 2017

Honorable Richard Proehl, Chairman
House Committee on Transportation

Re: House Bill 2060 – Opposition of Annual Fees for Hybrid and Electric Vehicles

Dear Chairman Proehl,

I am writing on behalf of the Alliance of Automobile Manufacturers to express our concerns with House Bill 2060. The Alliance is a trade association representing twelve of the world's leading car and light truck manufacturers, including BMW Group, FCA US LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of America, and Volvo Car USA. Together, Alliance members account for roughly 70% of the cars and light duty trucks sold throughout the United States each year.

Kansas is not the only state to realize that our nation's infrastructure is crumbling before us. In fact, it's a problem in most states across the United States. The Alliance applauds your efforts in taking on the large task of revising the funding mechanisms for transportation infrastructure in the State of Kansas. However, there are two provisions of great concern to automakers that we have identified in the bill.

House Bill 2060 imposes a new fee of \$150 to be paid at the time of registration for electric vehicles annually. While this \$150 fee may be considered by some as an equitable fee, the imposition of a new fee is punitive on consumers. Consumer choice is key factor in driving competitiveness in the marketplace. It does not make sense to disproportionately punish Kansans who purchase one vehicle or another. Automakers encourage amending HB2060 and remove the new fee on electric vehicles.

Also, of particular concern is the new \$75 fee that owners of hybrid vehicles would also be charged annually. It is important to note that hybrid vehicle owners also pay the gas tax. While other alternative fuel vehicles would be taxed at the same rate as traditionally fueled vehicles, hybrid owners would be placed under an undue burden. The Alliance encourages amending HB2060 and also remove the \$75 annual fee for hybrid vehicle owners.

The Alliance believes that HB 2060 in its current form puts an unnecessary burden on consumers and we ask that the bill is amended to remove both fees. We would be happy to discuss each in further detail as the committee considers this legislation. Thank you for your consideration.

Sincerely,

Leighton Yates
Manager, State Affairs