



**395 John Ireland Boulevard
Saint Paul, Minnesota 55155**

April 21, 2025

The Honorable Greg Davids
Chair
House Taxes Committee
2nd Floor, Centennial Office Building
St. Paul, MN 55155

The Honorable Aisha Gomez
Chair
House Taxes Committee
5th Floor, Centennial Office Building
St. Paul, MN 55155

Dear Chair Gomez and Chair Davids,

Thank you for the opportunity to provide comments on House File 2438, the omnibus transportation bill. I appreciate the work legislators and staff have done over the course of this session to assemble this legislation. This bill provides important investments to help construct, operate and maintain Minnesota's transportation system in challenging times.

On behalf of the Minnesota Department of Transportation, thank you for including several MnDOT initiatives in the omnibus bill. Additional funding for state road construction and the Blatnik Bridge project will result in a greatly improved transportation system, better pavements and safer bridges. Authorizing a funding partnership with the Metropolitan Council on the F Line/Highway 65 project will allow MnDOT to make numerous safety improvements in that corridor. Not only would this approach minimize disruption to communities and the traveling public, but the project design, communication, and construction will be significantly more efficient than building two separate projects.

There are a few items I would like to highlight as concerns.

- The aims of the project portal requirements to enhance transparency and accountability are also goals the department shares. As identified in the fiscal note, this effort would require a significant amount of work and several new staff. MnDOT's program is constantly shifting because of funding changes, project changes, and priority changes like state and federal legislative directives. Trying to link all these activities under the portal will be challenging. The department has significant amounts of information available on our website, but we know we can always do a better job of communicating with the public. We are working towards a live Statewide Transportation Improvement Program that will make MnDOT's capital program more easily accessible and transparent on our website. Our 10-year Capital Highway Investment Plan is already available online with an interactive map to view projects under development. We also have a legislatively mandated project selection website with information about which projects are moving forward, as well as which projects were not selected and why. I look forward to working with this committee to ensure that information around transportation projects continues to be more transparent, efficient, and accessible.

- The \$8.94M cut to passenger rail limits our ability to support Borealis service from St. Paul to Red Wing, Winona, and points beyond to Milwaukee and Chicago. Ridership on this line has exceeded expectations and we want to continue to remain strong partners with the states of Wisconsin and Illinois on supporting this service.
- The proposed delay in implementation of greenhouse gas and vehicle miles traveled requirements is concerning. Transportation is the leading sector of GHG emissions in Minnesota and we need to start thinking differently as we plan expansion projects. The legislation enacted in 2023 creates accountability to directly mitigate or offset increased emissions from highway expansion. Delaying these requirements would remove the most meaningful mechanism for accountability on transportation emissions reduction in Minnesota. It would put responsibility for GHG reduction on individuals and it removes accountability for state and local governments, despite governments being directly responsible for delivering transportation options and making land use decisions. I do appreciate your efforts to identify a funding source for the mitigation account.
- Meeting the proposed targets for the asset sustainability ratio would result in a substantial change to our construction program. Approximately \$150-\$200 million annually would need to be shifted to pavement projects to meet these requirements. The eight-year total impact is between \$1.2 billion to \$1.6 billion. It would require removing non-pavement projects from our program that in some cases have already been scoped and started public engagement, and would result in fewer bridge, freight, safety, and other projects than currently planned. These changes would also contradict the investment direction identified in the 20-year Minnesota State Highway Investment Plan through the public process required under Minn. Stat. 174.03. MnDOT does not object to performing the analysis and reporting those results to the legislature, but meeting the targets would have significant impacts to the trunk highway program.
- This legislation does not include any adjustments to aircraft registration rates. Along with a modification to the airline flight property tax, these investments would allow us to provide more airport development grants for Minnesota's 133 public airports. Excluding Metropolitan Airports Commission airports, which also have substantial funding needs, we estimate \$1.15 billion is needed by 2030 to maintain and expand our system of airports.

Again, thank you for allowing me to share this input on the omnibus transportation bill. I look forward to working with you so we can finalize a bill that maximizes the health of people, the environment and our economy for Minnesota's multimodal transportation system.

Sincerely,



Nancy Daubenberger, P.E. (MN)
Commissioner

cc: The Honorable Jon Koznick, Chair, House Transportation Committee
The Honorable Erin Koegel, Chair, House Transportation Committee

Equal Opportunity Employer



Re: HF 2438 – House Transportation Budget Omnibus

April 21, 2025

Dear Co-Chair Gomez, Co-Chair Davids and Members of the House Taxes Committee:

ISAIAH is a multi-racial, statewide, nonpartisan coalition of faith communities and other community groups working toward racial, economic, and climate justice.

No matter where we live or what we look like, all Minnesotans deserve access to safe transportation options and a liveable future. Unfortunately, this bill moves us backwards in two key areas.

First, cuts to transit. These cuts – including \$12M to greater MN, and zeroing out general fund support for transit operations in the metro – will hurt people, including seniors and students who depend on it for getting around every day.

Even more alarming is the unnecessary rollback of a significant policy innovation, the greenhouse gas mitigation program.

Article 2, Section 7 of the DE delays this important program - which has already been in effect – by 3 ½ years. This is a completely unnecessary policy provision that has no bearing on the budget and does not belong in this bill.

Transportation is the leading sector of greenhouse gas emissions. Climate change is real, and urgent. We all see the effects. From snowless winters, to smoke-filled summers it is impacting every corner of our state.

Climate change is also costly. Just yesterday the New York Times reported that by 2049, costs from the effects of climate change could total more than **\$38 trillion – every year**.

The greenhouse gas emissions impact assessment that is being delayed will not save money, nor will it save jobs. Instead, it will further delay much-needed investments in transit and other resilient infrastructure.

Especially in a time of enormous chaos, cuts and cruelty coming from the Trump Musk regime, we cannot afford to maintain the status quo. This is literally fiddling while Rome, or closer to home - Los Angeles - burns. We urge you to strip out this unnecessary, backwards delay. Failing that, we urge you to vote no on this bill.

Sincerely,

Lars Negstad

SUBJECT: Against higher registration fee for EVs (House File 2438)

I am an EV owner in Minnesota and am not in favor of raising registration fees for EVs that are already higher than gas vehicle fees. Below, I am conveying the reasons not to support this initiative. While these were crafted by others, I agree with them:

1. EVs already pay their 'fair share' into roadway funding, though higher tab fees and the motor vehicle sales tax.
2. The primary sources of funding lags for roadway funding is from inflation, increasing needs to maintain our physical infrastructure, and declining gas tax revenues from the increasing efficiency of gasoline vehicles. Raising fees on EVs does not solve the underlying issue. EVs make up <1% of passenger vehicles in Minnesota. While their growth will cause further declines in gas tax revenues down the road, it is not the main cause now.
3. Instead of pinning the blame on EVs, Minnesota needs to follow the recommendations of MnDOT and find a comprehensive, multi-faceted solution for funding all transportation infrastructure needs, including highways, while also achieving our state's climate goals, regardless of the fuel or vehicle type.
 - Transportation sector is the #1 source of climate emissions in MN, and we are sorely behind on addressing them. Increasing costs on EVs at this time is not the right move.
4. The timing of this fee increase when federal incentives are at risk of disappearing and consumer costs are rising is not the way to meet the state's climate goals. We advocate for the state to stay committed to making EVs affordable to own and operate in the near-term.

Thank you for your consideration.

Joseph Nease
Duluth, MN

SUBJECT: Electric Vehicle Fee

Mr. McQuillan,

My wife and I own a 2022 Tesla Model Y. We feel it is unfair and unreasonable to have the fee just to own a non polluting vehicle be increased by such a drastic amount. I understand that by not buying gasoline we do not contribute to the fund for roads, and accept the 75\$ annual fee.

But folks don't understand that by not adding additional greenhouse gasses (and other toxic emissions) into our common atmosphere, we are not only saving lives, but slowing down the main threat to human existence, namely climate change. In addition, we are not burdening our already overloaded common atmosphere with gases that make many people's health suffer.

We should be rewarded for our efforts, not penalized for them.

Sincerely,

Michael Gallagher
Linda Gallagher
Stanchfield, MN

SUBJECT: Opposition to House File 2438 (Increasing EV Registration fees)

Dear Chair Gomez and Members of the House Taxes Committee,

My name is Mark Chapin, and I'm a Minnesota resident and the owner of two electric vehicles.

I'm writing to strongly oppose the proposed increase in the annual EV registration fee from \$75 to \$200 as outlined in HF2438.

My family has made a significant investment in clean transportation. We installed a Level 2 charger in our garage that is powered by rooftop solar panels. We paid for the charger and the electrical work out of pocket.

No tax credits or rebates. We've done this not only to reduce our own carbon footprint but also to support Minnesota's broader goals for reducing greenhouse gas emissions. Increasing the EV registration fee to \$200 undercuts that commitment and sends a discouraging signal to others considering similar investments.

Electric vehicle owners like us already pay more than our fair share. Through higher registration and motor vehicle sales taxes—as well as the existing \$75 annual EV fee—we are contributing meaningfully to the state's Highway User Tax Distribution Fund. Independent research by MnDOT and the Great Plains Institute confirms that EV drivers already contribute more than equivalent gasoline vehicle owners.

Moreover, increasing EV fees does not address the core problem of declining gas tax revenue, which is primarily the result of more fuel-efficient gas vehicles—not the relatively small number of EVs in the state. EVs still make up less than 1% of all passenger vehicles in Minnesota. Instead of penalizing those working toward a cleaner future, Minnesota should pursue equitable, long-term solutions—like a distance-based user fee that would apply fairly to all vehicles, regardless of fuel type.

Finally, I want to highlight that the current fast-charging infrastructure in Minnesota is still inadequate—especially in Greater Minnesota. Traveling to Western Minnesota or the North Shore in an EV still presents real logistical challenges due to the lack of reliable, publicly accessible chargers. Until we have built out this infrastructure, increasing the cost of EV ownership will only discourage adoption at a time when we should be doing more to support it.

Please reject this unfair fee hike and work instead toward inclusive, forward-thinking solutions for transportation funding.

Sincerely,
Mark V. Chapin
Roseville, MN

SUBJECT: Increasing EV fees HF 2438

Please sir,

I purchased my electric car to help solve the climate crisis in 2018. I am now retired and on a fixed income. These fees are outrageous. Tax fossil fueled cars more as they continue to create a disaster for our grandchildren. Maybe if the cost of gasoline was higher people would consider driving less.

Jean Buckley
Minneapolis, MN

SUBJECT: Increase to \$200 from \$75 for the EV registration Fee.

Mr. McQuillan,

I drive less than 4000 miles a year so this increase would have me paying a multiple of what I would pay in gas taxes for driving the same distance. This seems very unfair.

Sincerely,
Charles Hartmann

SUBJECT: MN EV increase

Dear Representative McQuillan,

I am a resident of district 51B, and I am writing to express my opposition to the proposed increases in electric vehicle (EV) and hybrid fees as outlined in the recent bill. This legislation seeks to double the surcharge on all-electric vehicles from \$75 to \$200 and introduce new fees for plug-in hybrid vehicles and electric motorcycles.

While I understand the necessity of funding our state's transportation infrastructure, I believe that imposing higher fees on EV and hybrid owners is counterproductive. These vehicles contribute to reduced emissions and decreased reliance on fossil fuels, aligning with Minnesota's environmental goals. By increasing financial burdens on current and prospective EV owners, we risk discouraging the adoption of cleaner transportation alternatives.

Moreover, EV and hybrid owners already contribute to state revenues through existing taxes and fees. The January 1, 2024 increase to vehicle registrations on new(er) vehicles was a significant hit to many drivers across the state. My fees in 2025 were \$976 for a Nissan Ariya (without custom plates)! Implementing additional charges may be perceived as punitive and could deter individuals from making environmentally conscious vehicle choices.

I urge you to consider alternative funding mechanisms that do not disproportionately impact EV and hybrid owners. Incentivizing the adoption of clean energy vehicles is essential for promoting a sustainable future for Minnesota.

Thank you for your attention to this matter.

Sincerely,

Chad Casper
Bloomington, MN

SUBJECT: Written Testimony Regarding House File 2438 for Discussion on 4/21/25

To whom it may concern at the Minnesota House of Representatives Committee for Taxes,

My name is Christian Wallace-Bailey, I am a constituent residing in Minneapolis, and I am writing today to provide written testimony against the ratification of HF2438 in its current state, specifically regarding lines 49.24 to 50.4 concerning an increase in the Electric Vehicle registration surcharge, proposed from \$75 to \$200.

I have been a Minnesota resident for two years, and I recently purchased a used, lower-cost electric vehicle that I am currently registering here in Minnesota. I am 25 years old and a young professional working at an education-based nonprofit. It is my belief that this increase in registration costs for EV owners is a regressive fee increase that disproportionately increases costs for EV owners of a wide range of income bands, without addressing the root causes of tax income shortfalls due to societal changes in transportation and vehicle technology.

Electric Vehicles make up less than 1% of all personal vehicles registered in Minnesota, yet they pay some of the highest taxation and registration costs relative to owners of traditional gas or hybrid-powered vehicles. For example, at a fee of \$200, compared to the current gas tax of \$0.318 per gallon, an EV driver would be paying the estimated equivalent cost of buying 629 gallons of gas per year to meet the same cost that a gas-powered vehicle owner achieving 25 miles per gallon would pay via gas and registration taxes. Even further, many hybrid and traditional vehicles achieve a higher efficiency rating, making this cost comparison even more imbalanced.

It is my belief that fee increases such as these increase the affordability gap between traditional vehicles and electric vehicles present in the state of Minnesota. This fee increase will disproportionately affect lower-income EV owners, of which there are very few, who also face limitations with the cost of public charging, the high price of used electric vehicles in the state, and many other increasing cost factors. And while the current demographic of EV owners in this state is generally upper-class, white, and wealthy, if we are to increase emissions-free vehicle and transit adoption among all income bands in this state, fee increases that pass the cost along to the end consumer is detrimental in doing so.

More information must be gathered on alternative systems of usage taxation such as studies on distance-based fee systems, as studied by the University of Minnesota's Center for Transportation Studies (<https://www.hhh.umn.edu/news/humphrey-school-researchers-study-distance-based-fees-alternative-gas-tax>). There are also other public-level initiatives concerning such usage taxes, such as in my home state of Washington (<https://www.waroadusagecharge.org/>). It is my belief that until these alternative systems are fully explored, changes such as these to the taxation structure are not viable methods of sustainability minimizing budget shortfalls.

To summarize, I believe that this fee increase is regressive and antithetical to meeting the state of Minnesota's climate and sustainability goals, and to the goals of equitable taxation and access across income populations in this state. I would ask that the committee reconsider this fee

increase and conduct more research on more productive taxation strategies to meet the needs of the Department of Transportation's budget goals. Young people such as myself attempting to make a change towards a greener, more sustainable future are unfairly penalized by this increase, and I would ask that you consider the future of Electric Vehicle adoption in the state of Minnesota, instead of the short-sighted present.

Sincerely and with gratitude,

Christian Wallace-Bailey
Minneapolis, MN

SUBJECT: Comment re House File 2438

I'm writing to voice dissent of the proposed increase of EV registration from \$75 to \$200 annually.

My husband and I own a 2019 Nissan Leaf, purchased in May of 2019. Since we are both retired and do very little driving, we are the ideal consumers for an EV - almost entirely neighborhood driving.

Since purchase we have driven approximately 7,500 miles in that vehicle, so roughly 1,250 miles per year. An increase of the EV registration fee to \$200 annually would average out to \$0.16 per mile. If we were driving an Internal Combustion Engine (ICE) vehicle that averaged 30 mpg and were being taxed at \$0.16 per mile, that tax would come to **\$4.80 per gallon!** Is gasoline taxed at that rate? No! It is taxed at a rate of ~\$0.32 per gallon.

Since ICE vehicles are taxed on the amount of gasoline consumed so should EVs be taxed: based on consumption, either mileage or electricity (on which, by the way, we already pay taxes).

We don't mind paying our fair share of taxes, but there is nothing fair about this proposed tax increase.

This proposal is short-sighted and extremely punitive to low-mileage drivers. Surely there's a better alternative.

Mrs. Enid Lundgren

SUBJECT: EV Fees

I understand an increase to \$200 per year for registration fees is being considered for Electric vehicles.

I strongly oppose such an increase.

I have owned an EV for 6 years and am very aware of all the advantages it offers over every other vehicle I've owned in my 78 years. Why would anyone want to discourage ownership in them?

The transition to electric vehicles will happen regardless of efforts to stymie their adoption in the same way efforts to stop horseless carriages failed at the turn of the century.

Respectfully,

Neil Libson
Chanhassen, Mn

SUBJECT: AGAINST increasing the EV fee.

Hello. I'm an EV owner and am *against* increasing the annual registration fee for Electric Vehicles.

In Minnesota we want to improve our air quality and EV's are the most direct way to that goal. We should be penalizing the petroleum vehicles by taxing those fuels, not the 1% of us trying to do good for our environment. A small tax increase on petroleum fuels would generate far more revenue for infrastructure than increasing the registration tax for 1% of the vehicles (EV's).

Thanks for relaying this message as I can't attend the 4/21/2025 meeting.

Gary Schettl
Jordan, MN

I only drive my 2018 Nissan Leaf 6000 miles per year. Based on a 25 mpg comparison, at \$200 per year I will be paying the equivalent of 75 cents per gallon in gas tax. The current gas tax for ethanol in MN is 22.39. Even at the \$75 per year using the same comparison of 25mpg I am paying the equivalent of 31.25 cents per gallon which is still more than the ethanol gas tax rate after the 12% increase that went into effect in Jan 2025. On top of that, I pay tax on the electricity I use to charge the car. You would think, for the burden of paying more tax overall to operate an electric car, which we've all been told is better for the environment, that I would at the least be allowed the privilege of using the HOV lane, like a motorcycle, but no, not for electric vehicles with one occupant during restricted timeframes. I never understood why hybrid vehicles were excluded from this de-incentivizing scheme of taxation in this state, but apparently, that will also end if this bill passes. I would much rather pay my "road use tax" when I file my Minnesota state tax return based on my actual mileage than a blanket, one size fits all property tax.

Sarah Norwood

SUBJECT: Written testimony in opposition to HF 2438

I am writing today in opposition to House File 2438 which I understand will increase the electric vehicle registration fee from \$75 to \$200. What in this world goes up in cost so much, so fast? At a time when we should be incentivizing people to make the transition from cars that run on fossil fuels to those that are clean this comes as something of a shock.

I have been an EV owner since 2021, when I traded in my Subaru Outback, the car I thought I would drive to 150,000 miles or more (but that only had 33,000 miles on the odometer), for an EV. I made the move because I realized it was *way past time* for me to do my part to fight climate change. I am the grandmother of two young boys who literally lies awake at night worrying about their future, and their generation's future, because of our failure to act now - and our failure to have acted for decades, even as we saw this crisis coming. I worry about the wars that will be fought over land that still has a chance of growing food, and over water; about the growing numbers of refugees who will be seeking safety for their families. About the devastating fires and storms and floods that will only gain in frequency and intensity, and all the challenges we face today, which will be made worse by this existential threat. Not hyperbole. Reality. Business As Usual is destroying the natural world, and us with it.

Climate sceptics are minimizing the seriousness of climate change and the urgent responses it demands while my community is working hard to educate and influence people to make this transition, and others, that, if we all worked together, could mitigate the worst consequences of our actions. Transportation is the #1 source of climate changing emissions in Minnesota, so it makes sense to encourage the adoption of clean transportation. (I'll add that I no longer fly.)

I understand the need for revenue, but we, EV drivers, are already paying our share (more than our share?) through higher tab fees. We make the sacrifice because driving an EV is the right thing to do for the climate.

Please don't do this - not at this time and not in this way. Please don't put one more obstacle in the way of people who want to do the right thing and the transition to a clean car.

Thank you for listening.

Lisa Burke

St. Paul, MN

Subject: New to EV Fee increase proposal

Happy spring Patrick, I appreciate the effort you are making to help with funding shortages for our state highways and roads.

I strongly oppose this drastic increase in this fee of \$200 from \$75 that I currently pay. We have a hybrid vehicle and an electric vehicle. Our hybrid vehicle fees to the state already exceed that of our hybrid. We also pay more in fees to the state to charge our vehicle. We are trying to contribute to a cleaner environment for our children. We do not want to be punished for making this effort. Please continue to search for more equitable ways for all drivers to pay for a shortage in funding.

Sincerely, public servant-

David Barrett

SUBJECT: AGAINST increasing the EV registration fee

Hello. I'm an EV owner and am *against* increasing the annual registration fee for Electric Vehicles.

A barely noticeable small tax increase on petroleum fuels would generate far more revenue for infrastructure than a 166% registration tax increase for the minority, electrical vehicles (EV's).

In Minnesota we want to improve our air quality and EV's are the most direct way to that goal. We should be taxing petroleum fuels, not the 1% of us trying to do good for our environment.

Thanks for relaying this message.

Victoria Schettl

SUBJECT: EV owner request

Thank you for serving our state. Do not increase fees for those who drive electric.

We have to encourage the adoption of electric cars. Our family has had two electric cars for years.

We have children and grandchildren. We want to make improvements. We want a better world. We never visit a gas station and it is fantastic.

Be a part of the solution.

Thank you!

Maureen, who drives electric.

SUBJECT: Proposed increase

Hi My name is Thomas Rayburn, I own a Mitsubishi iMiev Electric Vehicle, it's the very most limited range EV out there, for one, Two, I am on a fixed income SS, and with property taxes increasing, it's getting harder for us Seniors to live, the \$75 fee is workable,\$200 is not workable, why should I pay the same tax as the long range vehicles? I can't use 90% of the roads, there should be a sliding scale for high end cars and lower end cars!

Thank you for your time,
Thomas Rayburn

I've been driving an electric car since Sept of 2018. It's the future. I got Federal assistance in 2018, and State Rebate in 2023. It seems the state is interested in clean air and was willing to provide rebates as an incentive. So my question is...how is raising license fees \$125 provide incentive to drive electric? Raising gas tax would push more people towards EVs and away from polluting ICE powered cars. A win -win. More taxes collected more drivers in EVs. Instead of paying people to switch to EV you actually collect more taxes until they do. It really seems counterintuitive to raise fees on EVs when the state wants more EVs on the road.

Jim Steiner
Vadnais Heights MN

Good Day,

My name is John Lynch, I'm a resident of New Brighton MN.

I am writing to you today as testimony for the hearing being held at 4PM on Monday April 21, 2025. I am against the proposal to raise the fee on EV's from \$75 to \$200.

I have been driving electric vehicles since 2019 when I purchased a new Nissan Leaf. I started driving electric vehicles because credible studies have shown that they are better for the environment. After driving them for six years, I will never go back to an ICE vehicle for many reasons.

I believe that a registration fee increase in House File 2438 is an unfair way to tax vehicle owners whether they be electric or ICE vehicles.

We currently have a fair system for gas powered vehicles via a tax on their fuel. It's fair because those who drive more on MN roads pay more tax when they purchase more gasoline for those miles driven. If a retired person or a person who works from home only drives 5,000 miles per year, they are fairly taxed at a lower rate because they are not causing a lot of wear and tear on our roads. Conversely, if a person drives a pickup truck for work during the day, they might be driving 25,000 miles per year and purchasing an appropriately larger amount of gas and paying an appropriately larger amount of gas tax. This results in a fair user equity.

Since electric vehicles are generally more expensive to purchase when new, the buyer is paying a higher registration and sales tax already.

I understand that the state needs to increase revenue in order to fix roads but EV's represent just under 1% of all vehicles on the roads in our state. You will not generate nearly enough to make a dent into what is needed by taxing a tiny minority.

Transportation sector is the #1 source of climate emissions in MN, and we are sorely behind on addressing them. Increasing costs on EVs at this time is not the right move.

The timing of this fee increase when federal incentives are at risk of disappearing and consumer costs are rising is antithetical to meeting the state's climate goals.

To do so, we need the state to stay committed to making EVs affordable to own and operate in the near-term.

I understand that those who want to pass this fee on EV's might see it as an easy to pass solution. It's easy to pick on EV's because they are by far the minority and don't have giant lobbying efforts behind them.

The Minnesota Department of Transportation 2023 – 2024 Report on the Revenue Options to Address the Highway User Tax shows other more fair options such as a Road User Charge.

I am in favor of fair usage based methods of taxing vehicles.

But I strongly urge you to say no to this unfair method of taxing vehicles.

Sincerely,

John Lynch

New Brighton, MN

SUBJECT: House File 2438 Comment

Hello,

My name is Helmut Porcher. I've been an EV owner for 13 years. My main motivation for EV ownership was my interest in making a small contribution to the reduction of air pollutants and climate emissions in Minnesota.

On average, I drive about 8,000 EV miles per year. Using the current estimated automobile fleet fuel milage (cars and light trucks) of 25 mpg and the 2025 fuel tax of \$0.32 per gallon, If the EV registration fee was increased to \$200, I would pay 100%+ more in vehicle taxes than if I was an owner and driver of a gasoline or diesel powered vehicle.

I do believe it is necessary for EV owners to contribute to the funding for the building and maintenance of transportation (road) infrastructure however the proposed increase of the EV registration fee from \$75 to \$200 is regressive and will have a negative impact on the growth of EV ownership and as a result a negative impact on the reduction of climate emissions in Minnesota. This is especially true given that, due to the fact that EVs currently have higher purchase prices, which also results in a higher overall license fees in addition to the EV fees.

Please do not increase the current EV registration beyond the current \$75.

Regards

Helmut

Helmut Porcher

SUBJECT: EV Fee Increase - Testimony on HF-2438

Hello -

My name is Joe Mechtenberg. For the last 7 years, I have owned and driven a Fiat 500e, an all-electric vehicle. I use it as my daily commuter, driving about 4,000 to 5,000 miles each year. Proponents of this EV fee increase say it's needed to ensure all drivers contribute fairly to road maintenance. I agree that as a driver and user of Minnesota roads, I need to pay my fair share.

But is it equitable and fair that I pay \$200 per year in fees?

The heavier a car is, the exponentially more wear and tear it causes to roads. My vehicle weighs just under 3,000 lbs. By comparison, a Chevy Silverado 1500 and Ford F-150, two of the most popular selling vehicles in Minnesota, can weigh anywhere from 4,000 to 5,600 lbs. Is it fair for me to pay a \$200 fee when my car weighs about a third-to-half of those vehicles?

This bill runs counter to the State's goal of increasing EV adoption across Minnesota. If we want to reduce greenhouse-gas emissions from transportation, it is true that the less gas tax we'll take in as a State. But this proposal is not about fairness. If it were about fairness, we'd be talking about the public health impacts of gas vehicles and the weight of vehicles on the roads, whether gas or electric.

Thank you,
Joe Mechtenberg
Golden Valley, MN (District 43B)

Dear Minnesota Representatives,

I have been an electric vehicle driver for over seven years now, including two different EVs. I bought a Chevrolet Bolt EV in 2017, fulfilling my aspiration as a high school senior in 1981 to be part of a better, clean energy future. It was by far the most expensive car I had ever bought (along with the high sales tax and the high first year registration fee), but it was worth it to me. I invested in a home charger, not cheap either. Then came the second year (and every year) registration tabs, wow. Then Minnesota added the \$75 EV registration surcharge. Okay, I get it, we have to pay for our infrastructure, and this to make up for the gasoline taxes I'm not paying. However, I only drive about 6,000 miles per year, and \$75 is more than I would have paid in gas tax for a comparable gas car like an Accord. I'm already overpaying my fair share with just the \$75 fee. Add in the registration fee every year and I'm far ahead of what I would have paid on a Camry or a Malibu. But I love my EV, and I love the fact that I'm not pumping out air pollutants that cause asthma attacks in children and premature deaths in older people. Not to mention the cost savings to society for those health benefits. Not to mention reducing carbon dioxide emissions that contribute to climate change. Another benefit: By reducing demand for gasoline, EVs can help to keep gas prices down for everyone else. Instead of punishing EV drivers in an attempt to solve revenue problems, how about creating a fair system of distance-based road use fees for ALL type of vehicles regardless of type or fuel? Because there are still few EVs on the road, penalizing them with a \$200 registration fee will not significantly improve revenue for roads and will only discourage EV ownership. It just looks ideological and vindictive, not like the good, smart government that Minnesota is capable of. Please do not raise the EV registration fee.

Sincerely,
Chris Zerby
New Brighton, MN

SUBJECT: House File 2438, EV registration fee increases

Dear House Tax Committee Members,

Please do NOT pass this bill that will financially penalized Electric Vehicle (EV) owners.

My wife and I have been driving an EV for the last 8+ years. Whether around town in the Twin Cities, to outstate Minnesota (daughter's family in Staples, family cabin in Park Rapids) or across the country (another daughter's family on the coast of North Carolina), we have become strong believers in the EV evolution. The drive is quiet and powerful and much less polluting than an Internal Combustion Engine (ICE) vehicle.

At this time, EV's are generally more expensive than gas or diesel vehicles, so owners pay higher sales taxes when buying them. While they are increasingly popular throughout the USA and the world, EV's are only about 1% of vehicles registered in Minnesota, so increasing annual registration surcharges to \$200 will not do much to improve state reserves and seems more like a punishment to EV owners.

Instead of pinning highway funding shortfalls on EVs, Minnesota needs to follow the recommendations of MnDOT and find a comprehensive, multi-faceted solution for funding all transportation infrastructure needs, including highways, while also achieving our state's climate goals, regardless of the fuel or vehicle type.

EV's are on the way to becoming the dominant vehicle type worldwide in the next several years. Punishing current EV adopters will only hurt all of us in the long run. Please do not pass House File 2438.

Charles Stephens
St Paul, MN

House Tax Committee Members,

I have owned an EV since 2017. My choice to drive an EV was based on my desire to protect the environment. My electricity is sourced through Xcel and I participate in both Windsource and belong to a community solar garden, so my electricity payments are funding renewable energy. The contribution I am making to protect my grandchildren, my neighbor's grandchildren and future generations, reflects my commitment to a livable planet for them. The transportation sector is the #1 source of climate emissions in MN, and we are sorely behind on addressing them. Increasing costs on EVs at this time is not the right move.

I ask you to oppose the \$200.00 registration fee for EVs.

There are many reasons for this. Please consider that EVs already pay their 'fair share' into roadway funding, through higher tab fees and motor vehicle sales tax.

The primary sources of funding lags for roadway funding is from *inflation, increasing needs of maintaining our physical infrastructure, and declining gas tax revenues* from increasing efficiency of gasoline vehicles. Raising fees on EVs does not solve the underlying issue. EVs make up less than 1% of vehicles in Minnesota. While their growth will cause further declines in gas tax revenues down the road, it is not the main cause now.

If you're curious, you can read more here: [Revenue Options to Address the Highway User Tax Distribution Funding Gap](#) (MnDOT, Nov 2024)

Instead of pinning the blame on EVs, Minnesota needs to follow the recommendations of MnDOT and find a *comprehensive, multi-faceted solution* for funding all transportation infrastructure needs, including highways, while also achieving our state's climate goals, regardless of the fuel or vehicle type

The timing of this fee increase when federal incentives are at risk of disappearing and consumer costs are rising is anti-thetical to meeting the state's climate goals. To do so, we need the state to stay committed to making EVs affordable to own and operate in the near-term.

I appreciate your time in reading this testimony.

Sincerely,
Kathryn J. Iverson
Edina, MN

SUBJECT: Oppose EV tax increase to \$200

House Tax Committee Members,

I have owned an EV since 2017 and my choice to drive an EV was based on my desire to protect the environment by reducing air pollution from transportation. My electricity is sourced through Xcel and I participate in both Windsource and belong to a community solar garden, so my electricity payments are funding renewable energy. The contribution I am making to protect children and future generations reflects my commitment to a livable planet for them. The transportation sector is the #1 source of climate emissions in MN, and we are sorely behind on addressing them. Increasing costs on EVs at this time risks Minnesota not meeting its goal of 100% Clean Energy by 2040.

I ask you to oppose the \$200.00 registration fee for EVs.

There are many reasons for this. Please consider that EVs already pay their 'fair share' into roadway funding, through higher tab fees and motor vehicle sales tax.

The primary sources of funding lags for roadway funding is from inflation, increasing needs of maintaining our physical infrastructure, and declining gas tax revenues from increasing efficiency of gasoline vehicles. Raising fees on EVs does not solve the underlying issue.

EVs make up less than 1% of vehicles in Minnesota. While their growth will cause further declines in gas tax revenues down the road, it is not the main cause now.

For more information on this, you can read more here: [Revenue Options to Address the Highway User Tax Distribution Funding Gap \(MnDOT, Nov 2024\)](#)

Instead of pinning the blame on EVs, Minnesota needs to follow the recommendations of MnDOT and find a comprehensive, multi-faceted solution for funding all transportation infrastructure needs, including highways, while also achieving our state's climate goals, regardless of the fuel or vehicle type

The timing of this fee increase when federal incentives are at risk of disappearing and consumer costs are rising is antithetical to meeting the state's climate goals. To do so, we need the state to stay committed to making EVs affordable to own and operate in the near-term.

I appreciate your time in reading this testimony.

Mike Menzel, MD
Edina, MN

SUBJECT: House File 2438 -- EV tax penalty

This proposed tax increase will unfairly increase the amount of taxes an electric vehicle driver pays when compared to a gasoline vehicle, even without the current \$75 per year EV tax penalty the amount collected from registration taxes on an electric vehicle is still significantly higher than the registration and gasoline taxes paid by drivers of a comparable gasoline vehicle.

We should not be punished for choosing to drive a vehicle that uses a cleaner, locally produced fuel source.

Further increasing the EV tax penalty will not solve the budget shortfall and will place an additional undue burden on working and middle-class EV drivers who are already paying more than their fair share of taxes. I strongly oppose the proposal to increase the already excessive \$75 fee to \$200 and would like to advocate for a reduction or complete repeal of the \$75 fee.

Thank you for your time,

Nicholas Janssen

SUBJECT: EV Registration Fee Input

Through our MN EV Group on FB, I heard that my legislators are wanting to raise the EV Fee by more than 200%! Is that what MN is coming to. Uffda. Sounds like a pretty heavy bias.

If the gas tax was raised 12%, why not raise the EV registration tax 12%: \$75 to \$84. Seems reasonable.

The MN Climate Action Framework states we are trying to reduce GHG 50% by 2030. This seems like a huge step away from that goal.

I truly hope you think of this with fair and open minds. And no political motivation.

Fred...

Saint Paul, MN

SUBJECT: Vote "No" to EV Fee Increase

Good Morning Representative McQuillan,

I have been an EV driver for over 13 years. I made a personal commitment to pay more to own an EV (over a gas powered car) so we can have cleaner air in our state.

Vote NO to increase EV fees - this is going the wrong direction. We need long term vision and planning to support increased use of EVs in our state.

EVs already pay their 'fair share' in roadway funding, through higher tab fees and motor vehicle sales tax.

Frances

Frances Crotty
Bloomington, MN

SUBJECT: EV tax increase - House File 2438

Dear Mr. McQuillan,

I just recently discovered that our legislature is considering tripling the tax on electric vehicles because of a shortfall in roadway funding. I strongly oppose this arbitrary and exorbitant increase in the cost of owning an electric vehicle. I have owned a small EV (Chevy Bolt) for 18 months. In that time I have put less than 14,000 miles on the car, and already paid \$150 in additional EV registration taxes. The proposed increase is grossly out of proportion to my modest impact on the roadway infrastructure. Minnesota should be encouraging adoption of EVs rather than piling additional costs on EV owners. This is especially the case as the federal government is currently taking short sighted measures to remove EV incentives and instead further promoting environmentally harmful fossil fuel production and consumption.

I urge you to vote against this proposed tax increase.

John Schmittiel
Roseville, MN

Hello,

Summary:

I own an electric vehicle, retired, and drive about 6,000 miles per year. I am writing to express my concerns regarding a proposal to raise the EV registration fee from \$75 to \$200.

Rationale:

1. As called out in the report titled "Revenue Options to Address the Highway User Tax Distribution Funding Gap over Fiscal Years 2025 to 2034", this proposal provides low User and Social Equities. See page 22 in the report. Here is the link: <https://www.lrl.mn.gov/docs/2025/mandated/250060.pdf>,
2. The increase has no published methodology. It is not clear how this increase was derived. That said, I went to ChatGPT for some analysis
 - In query 1, I wanted to get an idea of what \$200 equates to assuming the state gets 31.8 cents of tax revenue per gallon of gas and the average car gets 20 miles per gallon. This comes out to **12,579 miles** of driving in a gas-powered car that gets **20 MPG**.
 - In query 2, I ran the same query assuming the average car gets 33 miles per gallon. This comes out to about **20,833 miles** of driving in a gas-powered car that gets **33 MPG**.
 - In query 3, I wanted to get an idea of how much the average driver spends in fuel taxes assuming the same tax rate, 33 MPG, and drives 15,000 miles per year. The person pays **\$159** in gas tax per year.

Below are the responses I got.

Net-net: it's hard to justify a flat rate of \$200 per year.

Alternate Proposals

In the short term, I propose instead:

- A more gradual year-over-year increase for electric vehicles.
- A higher registration fee for heavier vehicles. They cause more wear and tear on the roads. Furthermore, for many people, large SUV's and trucks are trendy but aren't necessary.

In the long term, I would embrace a road usage charge modeled after the one used in Kansas.

Other options, which I've not seen mentioned in the report include:

- charging is a small fee on auto repairs. Like everything else, it has pros and cons, but it could encourage the purchase of newer, higher fuel-efficient vehicles.
- incorporating into the registration and renewal fees a premium based on a vehicle's average MPG. With this approach, lower fuel-efficient vehicles would pay more than higher fuel-efficient ones. As above, this too has its pros and cons, but it could encourage the purchase of higher fuel-efficient vehicles.

Concluding Thoughts

As a resident who appreciates safe and well-maintained roads, I certainly appreciate the dilemma concerning closing the highway funding gap. However, the current proposal to raise EV rates is

not equitable, is not based on a verifiable methodology, and can potentially discourage the purchase of clean energy vehicles. In the short-term, additional revenue can be generated through a gradual increase in EV rates and increased registration fees for heavier vehicles. Better yet, both of these approaches will couple nicely with a longer-term approach such as implementing road usage fees. Furthermore, I believe with further analysis, additional revenue can be raised through other means, such as the ones I have proposed. I am sure there are many others as well.

Thank you for your time and attention to this matter.

Best Regards,
David Levitt

Query 1

if the average car gets **20 miles per gallon** and the **gas tax is 31.8 cents per gallon**, here's how we calculate the tax paid **per mile** and then find out how many miles equal the \$200 EV fee.

Step-by-step:

1. **Gas tax per gallon** = 31.8 cents
2. **Miles per gallon** = 20
3. **Gas tax per mile** =

$31.8 \text{ cents} / 20 \text{ miles} = 1.59 \text{ cents per mile}$

4. **\$200 fee in cents** = 20,000 cents
5. **Miles equivalent to \$200** =

$20,000 / 1.59 \approx 12,578.6 \text{ miles}$

Final Answer:

The \$200 EV fee is equivalent to about **12,579 miles** of driving in a gas-powered car that gets **20 MPG**.

Query 2

Sure! Let's calculate it with an average of **33 miles per gallon**.

Step-by-step:

1. **Gas tax per gallon** = 31.8 cents
2. **Miles per gallon** = 33
3. **Gas tax per mile** =

$31.8 \text{ cents} / 33 \text{ miles} \approx 0.96 \text{ cents per mile}$

4. **\$200 fee in cents** = 20,000 cents
5. **Miles equivalent to \$200** =

$20,000 / 0.96 \approx 20,833.33 \text{ miles}$

Final Answer:

The \$200 EV fee is equivalent to about **20,833 miles** of driving in a gas-powered car that gets **33 MPG**.

Query 3

Let's work through it carefully:


You gave:

- **GSS tax** = 31.8 cents per gallon = \$0.318 per gallon
- **Miles driven per year** = 15,000 miles
- **Car fuel efficiency** = 30 miles per gallon

First, find out how many gallons the person uses per year:

Now, calculate the gas tax paid:

Final Answer:

The person pays **\$159** in gas tax per year. 

SUBJECT: House file 2438 EV registration fee increase proposal

Dear Mr. McQuillan and members of the Minnesota House Taxes Committee:

I am writing regarding House File 2438 Sec. 11. Minnesota Statutes 2024, section 168.013, subdivision 1m, which includes legislation that would increase the EV registration fee from its current \$75 to \$200.00.

My name is Lance and I am a retiree that has driven an all electric vehicle for 4 years. I feel this tax increase is excessive.

- The timing of this fee increase when federal incentives are at risk of disappearing and consumer costs are rising is at odds with meeting the state's climate goals. To do so, we need the state to stay committed to making EVs affordable to own and operate in the near-term.
- EVs already pay their 'fair share' into roadway funding, though higher tab fees and motor vehicle sales tax. ([Revenue Options to Address the Highway User Tax Distribution Funding Gap](#) (MnDOT, Nov 2024))

Thank you .

Sincerely,

Lance Campbell

Two Harbors, Mn

SUBJECT: Do Not Increase EV Fee – Unnecessary

Dear Patrick McQuillian and Sharnat Abraha,

We are writing as EV owners of two vehicles my husband and I enjoy driving and owning in Minnesota. We urge you to not raise the EV tax rate.

Ev's already pay their "fair share of the roadway" with the \$75 fee per vehicle. An increase of \$200 will make EV driving less accessible for families on a budget, and slow Minnesota's progress to green renewable energy.

Gasoline powered vehicles are the main problem with declining gas tax revenues. This deficiency should not be passed on to EV drivers who do not use gas. ICE (internal combustion vehicles) are the main car on the road now, not EV's.

Minnesota should follow the recommendations of MmDot and ***find a comprehensive, multi-faceted solution for funding ALL transportation needs and meet Minnesota's climate goals.***

Transportation is the #1 source of climate emissions in our state and we need to address them. Increasing costs on EV's is the wrong move at this time.

Federal incentives are at risk of disappearing for EV's, all the more reason for the state of Minnesota to keep the EV fee at \$75 to encourage more people to invest in EV vehicles.

Thank you for your consideration of this important topic,

Lynn and Tom Anderson

Tamarack, MN

SUBJECT: House File 2438

I am writing to oppose the proposed legislation to increase the EV registration fee for the following reasons:

- 1). EV's reduce critical CO2 (and other) emissions. I've driven my EV 15,000 miles since September of 2023, saving more than 12,000 lbs of CO2 emissions.*
- 2). I charge from my home utility and already pay taxes on the charging energy.*
- 3). It's critical to support and actively encourage the transition from hydrocarbon fuels to renewable energy. EV's comprise fewer than 1% of Minnesota's vehicle fleet; the impact on fuel taxes is far lower than the benefit to carbon reduction.*

Thank you for your consideration.

*Dan Norrick
Mounds View, MN*

SUBJECT: House File 2438 Written Testimony

Dear DFL Committee Administrator and CLA,

I am unable to attend today's hearing regarding House File 2438 but would like to submit written testimony if possible.

My name is Victoria Downey. I am a resident of St. Paul, a single mom to a wonderful little boy, and a proud EV car owner. I am writing today to respectfully urge you to oppose the proposed increase in the annual EV registration fee from \$75 to \$200, as outlined in House File 2438. I teach Geography and Sustainability at a local community college, and I can tell you from first hand experience that our young people are overwhelmed with fear due to inaction on climate change. They are grappling with climate anxiety and grief and feel that not nearly enough is being done to ensure that they will have a livable world in the future. I feel this too for my four year old son Otis. I am proud to call Minnesota home for many reasons, but in part because we have done more to drawdown our emissions than other surrounding states. But we're still far from doing enough, and this price hike will not only hit families and single moms like me, but it will also risk undermining our climate and transportation goals. I understand that we need to fund our transportation infrastructure, but this is not the answer, and this hike may discourage those considering switching to a clean transportation source from doing so. I appreciate your consideration on this important topic, and thank you for your service to our state.

Thank you,
Victoria Downey
St. Paul, MN

SUBJECT: Written testimony for House File 2438

Dear House Taxes committees -

I'm writing to you today about House File 2438, which includes legislation that would increase the EV registration fee from its current \$75 to \$200.

My name is Elise Porcher. I've been an EV owner for 2 years. I'm against the current proposal of raising the EV surcharge to \$200.

We are already paying our fair share into the Highway User Tax Distribution fund. Based on my vehicle specs my total contributions after 10 years to the fund would be \$5130. That's \$4,380 from sales tax & registration fees + \$750 (current EV surcharge). That's already \$500+ more than an equivalent gas vehicle and if the proposed EV fee increase passes, I would be paying \$1760 more than a gas equivalent vehicle.

Please rethink this proposal!

I do believe it is necessary for EV owners to contribute to the fund, however not in this way. A fair EV motor fuel tax offset should be calculated based on MPG not increasing a flat fee. EV taxes do not encourage the growth of clean vehicles. Minnesota should be promoting EV adoption, not discouraging it with punitive taxes.

Instead of pinning the bill on EVs, Minnesota should follow MnDOT's other recommendations and find a comprehensive, multi-faceted solution for funding all transportation infrastructure needs, while still achieving our state's climate goals, regardless of the fuel or vehicle type. Without many different sustainable revenue streams we are just going to be in the same situation we are currently as gas vehicles get even more fuel efficient. This EV fee hike won't cover the current deficit.

In closing I'm opposed to an increase in the current EV registration beyond the current \$75.

Cheers,
Elise Porcher

SUBJECT: Request to comment on the proposed EV fee increase in today's meeting

Hello,

I would like to comment on the proposed EV fee increase in today's meeting at the capital.

Full Name: William Watkins

Supporting details:

Projected Taxes for the Next Seven Years Using Our Last Seven Years of Driving Habbits

Vehicle #1 - 6550 miles per year

Gas Vehicle		Electric Vehicle (Current rules)		Electric Vehicle (Proposed rules)	
MN Fuel Tax	\$364.51	MN Electricity Sales Tax	\$167.66	MN Electricity Sales Tax	\$167.66
MN ICE Fee	N/A	MN EV Fee	\$525.00	MN EV Fee	\$1,400.00
Federal Fuel Tax	\$210.91	Federal EV Fee	N/A	Federal EV Fee	N/A
Total Tax	\$575.42	Total Tax	\$692.66	Total Tax	\$1,567.66
\$0.00		\$117.24		\$992.24	

Tax Increase Attributed to Driving an EV versus an ICE Vehicle 6550 Miles/Year in Minnesota

Vehicle #2 - 8525 miles per year

Gas Vehicle		Electric Vehicle (Current rules)		Electric Vehicle (Proposed rules)	
MN Fuel Tax	\$474.42	MN Electricity Sales Tax	\$218.21	MN Electricity Sales Tax	\$218.21
MN ICE Fee	N/A	MN EV Fee	\$525.00	MN EV Fee	\$1,400.00
Federal Fuel Tax	\$274.51	Federal EV Fee	N/A	Federal EV Fee	N/A
Total Tax	\$748.92	Total Tax	\$743.21	Total Tax	\$1,618.21
\$0.00		-\$5.71		\$869.29	

Tax Increase Attributed to Driving an EV versus an ICE Vehicle 8525 Miles/Year in Minnesota

Assumptions

Number of Years Projected	7
MN State Fuel Tax/Gallon	\$0.32
Federal Fuel Tax/Gallon	\$0.18
Electricity Sales Tax/kWh Dakota Co.	\$0.011
MN EV Fee	\$75.00
Proposed MN EV Fee	\$200.00
Miles Driven per Year Vehicle #1	6550
Miles Driven per Year V	8525
Gas Vehicle Efficiency (Miles Per Gallon)	40
Electric Vehicle Efficiency (miles/kWh)	3
Gallons of Fuel Purchased (7 years) Vehicle #1	1146.25
kWh of Electricity Purchased (7 years) Vehicle #1	15283.3
Gallons of Fuel Purchased (7 years) Vehicle #2	1146.25
kWh of Electricity Purchased (7 years) Vehicle #2	15283.3

Please let me know if you require any further information.

Sincerely,
William Watkins

SUBJECT: I oppose the increase in the EV registration fee included in House Fi

Hello,

I am writing to express my opposition to the language on line 49.26 of House File 2438 that would increase the registration fee / surcharge for an Electric Vehicle (EV) in Minnesota from \$75 to \$200 annually.

I understand the reason for this EV surcharge is a way of making up for the gas tax revenue EV owners do not pay because they are not buying gas for their EV. But here are my reasons I'm against this change in the fee:

Rather than generating funds for road & bridge maintenance via the gas tax, it would be more equitable to apply a tax via a formula using annual miles driven for a vehicle combined with the vehicle's weight.

EV drivers already contribute more than their fair share. Between the existing \$75 annual EV fee, higher registration fees, and motor vehicle sales tax, EV owners often pay more into the Highway User Tax Distribution Fund than drivers of comparable gas-powered vehicles. Increasing this fee to \$200 per year isn't making EV owners pay their fair share, it is **penalizing** them for having an EV.

EVs aren't the cause of declining gas tax revenues. The main drivers are inflation, increasing needs of maintaining our physical infrastructure, and increased fuel efficiency across all vehicle types. EVs currently make up less than 1% of Minnesota's registered passenger vehicles and are not a major contributor to the funding gap.

A comprehensive solution is needed. MnDOT has recommended a more holistic, multi-faceted funding approach to address infrastructure needs. Singling out EV drivers does not solve the underlying problem—it simply penalizes those trying to make environmentally responsible choices.

EV drivers also pay a state sales tax on the electricity for their vehicle.

Transportation sector is the #1 source of carbon emissions in MN, and we are sorely behind on addressing them.

Now is the wrong time to add costs to EV ownership. With rising consumer costs and uncertain federal incentives, increasing EV fees would discourage adoption at a critical time when we need to accelerate progress toward our climate goals.

If we truly want to reduce emissions and build a resilient transportation system, we must pursue funding strategies that are fair, forward-thinking, and fuel-neutral. I respectfully ask you to vote no on this proposed fee increase and support more equitable alternatives.

Thank you for your time and your service to our state.
Sincerely, David Jungst, Morris, MN

SUBJECT: re HF 2438/ EV Fees

All-

I have been driving exclusively electric vehicles since 2012.

This EV fee increase is unnecessary for several reasons:

1. EVs already pay their 'fair share' into roadway funding, though higher tab fees and motor vehicle sales tax
2. The primary sources of funding lags for roadway funding is from *inflation, increasing needs of maintain our physical infrastructure, and declining gas tax revenues* from increasing efficiency of gasoline vehicles. Raising fees on EVs does not solve the underlying issue.
 - EVs make up <1% of passenger vehicles in Minnesota. While their growth will cause further declines in gas tax revenues down the road, it is not the main cause now.
 - If you're curious, you can read more here: [Revenue Options to Address the Highway User Tax Distribution Funding Gap](#) (MnDOT, Nov 2024)
3. Instead of pinning the blame on EVs, Minnesota needs to follow the recommendations of MnDOT and find a *comprehensive, multi-faceted solution* for funding all transportation infrastructure needs, including highways, while also achieving our state's climate goals, regardless of the fuel or vehicle type
 - Transportation sector is the #1 source of climate emissions in MN, and we are sorely behind on addressing them. Increasing costs on EVs at this time is not the right move.
4. The timing of this fee increase when federal incentives are at risk of disappearing and consumer costs are rising is anti-thetical to meeting the state's climate goals. To do so, we need the state to stay committed to making EVs affordable to own and operate in the near-term

I am not opposed to drivers paying their fair share but this is not a good solution.

Sincerely-
Sam Villella
Blaine, MN

SUBJECT: EV registration tax.

I'm not in favor of the proposed EV registration tax since it doesn't target the tax properly. For example a Hummer and a tiny Chevy Bolt would pay the same tax? Someone who drives 2,000 miles a year or 30,000 miles a year would pay the same? Also out-of-state visitors would not pay anything even though out-of-state electric trucks are going to be a major source of future road damage.

Jesse Langanki

Testimony for HF2438 (Koznick) – Transportation Budget Bill

To: Co-Chair Rep. Aisha Gomez and Co-Chair Rep. Greg Davids and Members of the Committee

Please do not reverse Minnesota's economic advancement and state climate policy leadership: vote NO on HF2438. Rep. Koznick's bill is not appropriate for the budget bill. Nor is HF2438 in the public interest.

Climate action is health protection and health care cost reduction. Asthma, respiratory illness, and other harmful affects of air pollution from fossil fuel combustion is one of our greatest threats to health, especially for children and elders.

Climate action is economic modernization: the world is shifting rapidly to solar, wind, and electricity storage because it is cheaper, safer, renewable, cleaner, and creates more jobs. Minnesota's economy benefits with conversion to all forms of cleaner, locally-generated, electricity-powered transportation.

Public transportation is essential to economic resilience and opportunity for all. For over 40 years I have chosen public transportation as my primary mode of transportation. The people who completely rely on public transit are not here today to speak for their needs and their reliance on a well-functioning system. Building more highways does not help all of our working population, our elderly, our students, and our disabled citizens take care of their daily needs.

Thank you
Tina Clarke
St. Paul, MN

SUBJECT: Written testimony for House File 2438

Dear House Taxes committees,

My name is Sam Parisian and I am writing to you today about the proposed legislation to increase the EV registration fee from \$75 to \$200, as part of House File 2438. As an EV owner of 2 years, I am against the current proposal.

The EV tax credit allowed me and my family to buy a brand new car at a discounted price. At the same time, we now drive a more sustainable vehicle. If the overall goal is to lower automobile emissions, this proposed legislation is in direct opposition of that goal. It will disincentivize consumers to purchase EV's.

This EV fee hike won't cover the current deficit. MnDOT has proposed a list of other recommendations that I think you should consider instead.

I am willing to pay my fair share, but this is not fair to EV owners.

Thanks,
Sam

April 20, 2025

To the honorable co-chairs:

Representatives Aisha Gomez and Greg Davids,

of the Minnesota House Tax Committee

Subject: HF2438

Thank you for the opportunity to testify. I am Philip Adam, a resident of Plymouth, MN for 40 years. My wife and I have driven EVs for 12 years and 225,000 miles. My message is simple. This proposed \$200 registration fee for electric vehicles is fundamentally regressive. As legislators, you can direct policy favorable to EVs that significantly lowers gas prices. By diversifying our transportation energy sources, Minnesota citizens will receive the added benefit of mitigating risk from the market volatility of Wall Street and from the geopolitical consequences of crude oil. Let's look at three events over the last six years.

This graph shows in red the average USA retail gasoline price per gallon over the last six years. The blue line shows how USA production remains relatively static at around 500 million barrels per month. Minnesota citizens burn around 3.1 billion gallons of gas per year for ground transportation. At \$0.318/gallon, the MN gas tax generates about \$1 billion per year. To estimate the annual fuel cost to our Minnesota economy, just multiply the per gallon price by 3 billion. (The USA burns about 140 billion gallons per year.)

Event # 1: Demand dropped by 30% at the beginning of Covid.

a. The retail price dropped by \$0.75 per gallon.

b. This is \$2.3 Billion savings to gas car owner citizens on an annualized basis.

We can ask the question: If 30% of transportation vehicles were electric, how would that affect demand for gasoline and thus their retail prices? It is gas car owners who would benefit significantly from the rapid adoption of EVs.

The Nissan LEAF, Chevrolet Volt, and Tesla Model S were introduced in 2011-2012; over 13 years ago. With good public policy, EVs could easily have been 30% of the Minnesota car fleet today.

Event # 2: September 2021 – Industry tells us they respond to shareholders, not citizens.

a.) The retail price is \$1.50 over the pandemic price and will continue to climb.

b.) Annualized, this is an extra \$4.5 Billion Minnesotans are paying for fuel compared to just 20 months earlier.

In September 2021, the CEO of Chevron, Mike Wirth said, “We could afford to invest more, but the equity market is not sending a signal that says they think we ought to be doing that,” an explicit declaration that petroleum refiners respond to shareholder value, not the profit burden that citizens must endure.

There are only about 123 refineries in the entire USA. They are a potential chokepoint in our economy. If just a few refineries are shut down for maintenance or any other reason, production cannot just simply be increased quickly.

Encouraging the rapid adoption of EVs would diversify our transportation energy sources and thus mitigate gas car owner's exposure to the potential risk the economic bottleneck refineries pose and also the general profit burden of the marketplace.

Event # 3: Feb 2022 - Geopolitics significantly raises our gasoline cost.

And then a few months after Mike Wirth's admission, Russia invaded the Ukraine.

a.) The retail price jumped another \$ 1.50.

b.) This is \$3.00 above the pandemic price, or annualized, an extra \$9 Billion per year.

Since crude oil prices respond to worldwide events, diversifying our transportation energy sources mitigates our risk to geopolitics.

I ask you to reject this tax and thoughtfully develop a better revenue stream for funding our roads.

Thank you,

Respectfully submitted,

Philip Adam

Plymouth, MN

Please do not increase fees to EV owners. I purchased my electric car in 2018 to combat the climate crisis. I am. Kw retired and drive very little. If the cost to drive a fossil fuel car was more people may consider driving less. Increase the sales tax on gas would be the better way to raise revenue. Don't punish those of us who have made a better choice to meet MN climate goals.

Jean Buckley
Mpls, MN

To: Patrick McQuillan
Shamat Abraham

Subject: EV Tax Increase proposal

Hello My name is Glen Zirbes and would like to submit my testimony on why I oppose the proposed EV fee increase. I am not against the EV driver paying their fair share for road use, however at this time we pay more than a normal gas car when based upon the MPG of the car and tax per gallon. Upon research I was pleased to see the gas tax in now indexed to an inflation factor which was long over due. At the current time EV's are only 1% in MN. Let me provide some data below. I do support that the EV tax rate should also be indexed at the current inflation factor rate as the gas tax and be adjusted

The current average miles per year for MN is around 17,000 miles/year based upon the FHA data. Most EV's have a 90mpg rating. The current MN gas tax is .318/gallon.

$17,000\text{miles}/90\text{mpg} = 188$ gallons of gas equivalent

$188 * .318 = 60.06$ tax which is less than the 75.00 current tax

What is also forgotten is we sales pay tax on our fuel (electricity) every we w charge but it most likely does not go to the Highway fund. Based upon the 17,000 miles/year and an average electrical use of .30kwh/mile the total purchased electricity when charge at home at the average rate of .15/kwh.

$17,000 \text{ miles} \times .30\text{kwh}/\text{miles} = 5,100\text{kwh}$

$5,100\text{kwh} * .15/\text{kwh} = 765.00$

The tax rate would be .06875

So the sales tax paid on the $765.00 * .06875 = \$52.59$

So the total tax/fee paid per year is $75 + 52.59 = \$127.59$ on average for a MN EV driver.

This is equivalent to purchasing 401 gallons of gas/year or driving a car that get around 42mpg?

If the tax is raised to \$200.00 I would pay $200.00 + 52.59 = 252.29/\text{year}$ or $259.29 / .318 = 815$ gallons of gas equivalent or driving a car that has a 20.85 mpg rating (17000/ 815 gallons) !
Are we going to raise the gas tax on cars that have over 20MPG and lower if for cars that have less that 20mpg?

Thanks you

Glen Zirbes

April 21, 2025

RE: HF2438 – Article 2, Section 11 Electric Vehicle Fee Rate

Dear Chairs Gomez and Davids and House Taxes Committee Members:

We strongly support efforts to adjust the current \$75 electric vehicle fee to align it more fairly with the fuel tax paid by drivers of other fuel-powered vehicles.

Minnesota's road system at all levels is underfunded with a significant funding gap identified by MnDOT of over \$1 billion per year. As electric vehicles become more prevalent, we have more drivers that are not paying the fuel tax. As the difference in price between electric and gasoline powered vehicles continues to shrink, we believe that all vehicle owners should pay the motor vehicle registration tax, sales tax and fuel tax to support the maintenance and improvement of our road system.

The average driver in Minnesota pays between \$150 and \$200 per year for the 31.8 cent per gallon gasoline and diesel fuel tax. When drivers pay less than that amount, we are losing revenue needed to repair and maintain roadways. **Every other fuel type (compressed natural gas, propane, liquified natural gas, etc.) is taxed in Minnesota at a rate that is comparable to the gasoline and diesel tax with the exception of electricity.**

As of January, 2025:

- 39 states collect an electric vehicle registration fee as a proxy for the traditional fuel tax.
- Twelve states charge \$200 or more annually for the electric vehicle registration fee.
- Twenty-eight states charge a hybrid electric vehicle annual fee.
- 25 of those states charge \$50 or more for the hybrid electric vehicle fee.

Most states charge an annual fee because it is easier and more cost-efficient to administer but more states are considering a per-kilowatt-hour fee, especially at public charging stations. In the State of Wisconsin, a 3 cent per-kilowatt-hour fee went into effect in January at public charging stations. The state continues to collect the \$175 annual fee for all electric vehicles and \$75 fee for hybrid vehicles. A fee collected at charging stations allows states to collect revenue from drivers who don't live in the state and are using the roadways.

All vehicle owners pay the Motor Vehicle Sales Tax (MVST) and Registration Tax (license tab fee). The average price for a new car is currently \$48,641 while the average price for an all-electric vehicle is currently \$55,500. The gap between the cost of electric vehicles and other vehicles continues to shrink.

A fair and reasonable fee, aligned with the cost of maintaining the infrastructure all drivers use, is unlikely to significantly affect consumer decision-making, especially as more affordable EV models continue to enter the market and the overall cost gap between EVs and traditional vehicles narrows.

Now is the time to provide more parity among all users of our roadways. We urge you to support efforts to help stabilize funding for our roadways and thank you for your consideration.

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