

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1817

03/03/2025 Authored by Kraft, Jones, Koegel, Tabke, Rehm and others
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to transportation; amending certain requirements governing electric vehicle
1.3 surcharges, including to modify the surcharge on all-electric vehicles and impose
1.4 a surcharge on plug-in hybrid electric vehicles; providing for account transfers;
1.5 amending Minnesota Statutes 2024, sections 161.178, subdivision 8, by adding a
1.6 subdivision; 168.013, subdivision 1m, by adding a subdivision.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2024, section 161.178, subdivision 8, is amended to read:

1.9 Subd. 8. **Transportation impact assessment and mitigation account.** (a) A
1.10 transportation impact assessment and mitigation account is established in the special revenue
1.11 fund. The account consists of funds provided under section 168.013, subdivisions 1m and
1.12 1n, and by law and any other money donated, allotted, transferred, or otherwise provided
1.13 to the account.

1.14 (b) Money in the account is annually appropriated to the commissioner and must only
1.15 be expended on activities described or required under this section. In determining
1.16 expenditures from the account, the commissioner must include prioritization for offset
1.17 actions interlinked to trunk highway projects that reduce traffic fatalities or severe injuries.

1.18 Sec. 2. Minnesota Statutes 2024, section 161.178, is amended by adding a subdivision to
1.19 read:

1.20 Subd. 9. **Account transfers.** (a) For purposes of this subdivision, "account balance"
1.21 means the unencumbered balance in the transportation impact assessment and mitigation
1.22 account under subdivision 8 on June 30 of a fiscal year.

2.1 (b) Beginning July 1, 2027, in each fiscal year, if the account balance for the previous
 2.2 fiscal year exceeds 50 percent of the total deposited during that fiscal year, by November
 2.3 1, the commissioner must transfer an amount as determined in paragraph (c) from the
 2.4 transportation impact assessment and mitigation account to the highway user tax distribution
 2.5 fund.

2.6 (c) The amount for transfer under paragraph (b) equals 90 percent of the lesser of (1)
 2.7 the account balance for the previous fiscal year, or (2) the amount of unencumbered funds
 2.8 in the transportation impact assessment and mitigation account at the time of transfer.

2.9 Sec. 3. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

2.10 Subd. 1m. ~~Electric~~ All-electric vehicle. ~~In addition to the tax under subdivision 1a, (a)~~
 2.11 Subject to paragraph (b), a surcharge of \$75 \$100 is imposed for an all-electric vehicle, as
 2.12 defined in section 169.011, subdivision 1a. The surcharge is in addition to the tax under
 2.13 subdivision 1a.

2.14 (b) On January 15, 2028, and on January 15 every three years thereafter, if the gasoline
 2.15 excise tax imposed under section 296A.07, subdivision 3, paragraph (a), clause (3), is
 2.16 increased or decreased since the most recent adjustment as of the effective date of this
 2.17 section or a prior adjustment under this paragraph, the surcharge as previously adjusted
 2.18 under this paragraph must be increased or decreased by a corresponding percentage change,
 2.19 and the resulting amount must be rounded to the nearest increment of \$5. The adjusted
 2.20 surcharge under this paragraph applies to taxes payable for a registration period starting on
 2.21 or after the following February 1.

2.22 (c) Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision
 2.23 must be deposited in the highway user tax distribution fund transportation impact assessment
 2.24 and mitigation account under section 161.178, subdivision 8.

2.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 2.26 applies to taxes payable for a registration period starting on or after August 1, 2025.

2.27 Sec. 4. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to
 2.28 read:

2.29 Subd. 1n. Plug-in hybrid electric vehicle. (a) Subject to paragraph (b), a surcharge of
 2.30 \$25 is imposed for a plug-in hybrid electric vehicle, as defined in section 169.011, subdivision
 2.31 54a. The surcharge is in addition to the tax under subdivision 1a.

3.1 (b) On January 15, 2028, and on January 15 every three years thereafter, if the gasoline
3.2 excise tax imposed under section 296A.07, subdivision 3, paragraph (a), clause (3), is
3.3 increased or decreased since the most recent adjustment as of the effective date of this
3.4 section or a prior adjustment under this paragraph, the surcharge as previously adjusted
3.5 under this paragraph must be increased or decreased by a corresponding percentage change,
3.6 and the resulting amount must be rounded to the nearest increment of \$5. The adjusted
3.7 surcharge under this paragraph applies to taxes payable for a registration period starting on
3.8 or after the following February 1.

3.9 (c) Notwithstanding subdivision 8, revenue under this subdivision must be deposited in
3.10 the transportation impact assessment and mitigation account under section 161.178,
3.11 subdivision 8.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.13 applies to taxes payable for a registration period starting on or after August 1, 2025.