



Minnesota Center for Environmental Advocacy

February 22, 2021

Re: Meeting of the Senate Committee on Transportation Finance and Policy

Testimony of Minnesota Center for Environmental Advocacy

Dear Chair Newman and members of the Senate Transportation Finance and Policy Committee,

Thank you for the opportunity to provide written testimony on Senate File 1086. Minnesota Center for Environmental Advocacy (MCEA) is a nonprofit organization with almost 50 years of experience using law and science to protect Minnesota's environment and the health of its people. We oppose this bill because it would unfairly penalize electric vehicle drivers at a time when we should be encouraging the adoption of zero-emission vehicles.

MCEA understands the need to ensure that all drivers contribute to the upkeep of our roads and other infrastructure. However, if passed, this bill would make Minnesota's electric vehicle tax one of the highest in the country.¹ At \$229, this surcharge would be a significant increase in the cost of annual ownership for electric cars, and would unfairly penalize households with electric cars compared to those with conventional cars. Unlike the gas tax, which ensures that drivers pay according to how much they drive, a set fee applies to all electric vehicles regardless of annual mileage. Thus, while apparently aiming to even the playing field between drivers of conventional and electric vehicles, this fee increase would unfairly penalize the electric vehicle owners that drive the least.

A blanket fee increase also runs counter to one of the fundamental bases of the gas tax, which is that it rewards fuel efficiency. Because it applies to each gallon of gas purchased, the gas tax rewards drivers with cleaner cars and penalizes those with gas guzzling vehicles. Under the current gas tax of 28.6 cents per gallon, a person that drives 15,000 miles per year in a Honda Accord—a fuel-efficient vehicle getting 30-38 miles per gallon—would pay between \$113 and \$143 per year in gas tax. Electric vehicles are significantly more energy efficient than their gas-powered counterparts, so should not be subject to an exorbitant fee compared to fuel-efficient conventional cars. Electric cars also provide societal benefits, and should be encouraged rather than penalized.

Finally, EV drivers currently pay into other major sources of infrastructure funding: sales tax and registration fees. Because these payments are based on the upfront cost of the vehicles, EV drivers pay more in these fees than the owners of equivalent gas-powered cars due to the currently higher upfront cost of EVs.² These factors should be taken into account when determining how to fairly distribute the costs of maintaining our roadways.

¹ Chris Harto and Shannon Baker-Branstetter, *Rising Trend of Punitive Fees on Electric Vehicles Won't Dent State Highway Funding Shortfalls but Will Hurt Consumers*, Consumer Reports, September 2019 ([link](#)).

² Brendan Jordan, *Why Electric Vehicle Taxes are the Wrong Strategy for Minnesota*, Drive Electric Minnesota, March 27, 2019 ([link](#))



**Minnesota Center for
Environmental Advocacy**

Thank you for the opportunity to provide testimony on this topic.

Sincerely,

Carolyn Berninger
Climate Policy Analyst
Minnesota Center for Environmental Advocacy