

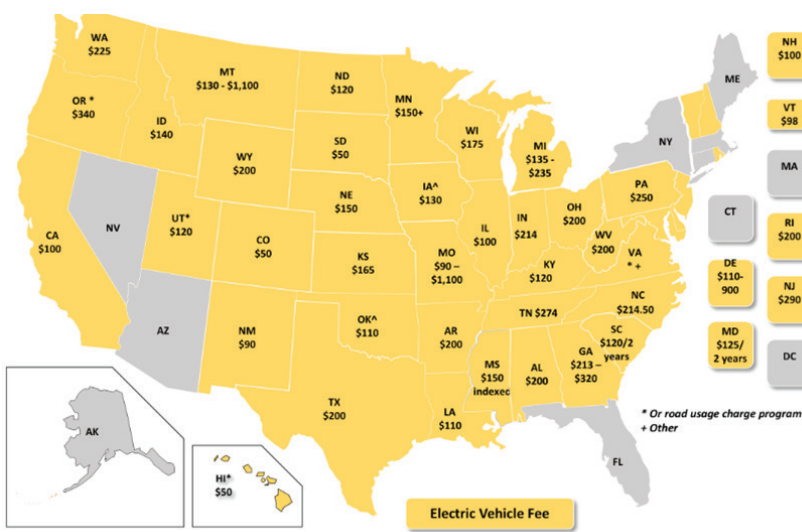
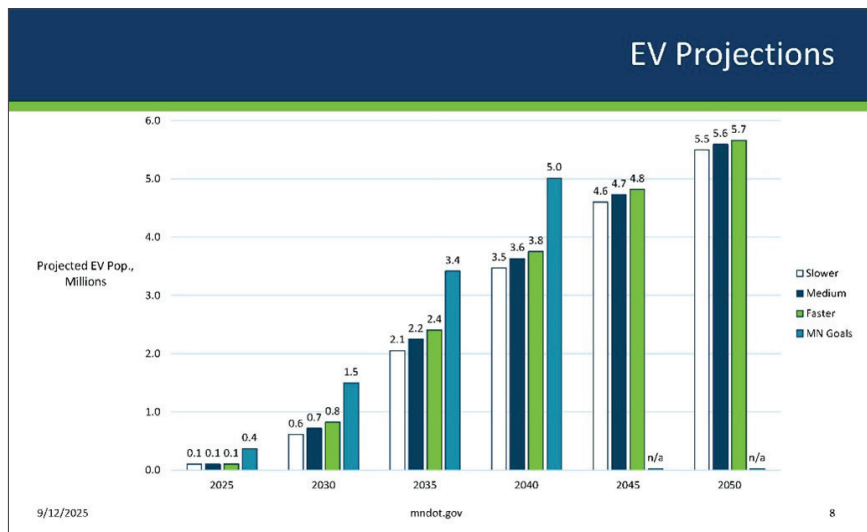
# Road User Fees Pay for Minnesota Highways

Minnesota has long relied on a user-based funding model to maintain and improve our roads and bridges. Fuel taxes, vehicle registration taxes, and the motor vehicle sales tax are constitutionally dedicated to transportation purposes. Nearly every transportation fuel is taxed, with one key exception: electricity used to power vehicles.

## EV Projections

As electric vehicles become more common, Minnesota must ensure that all drivers contribute fairly to the upkeep of our transportation system. Without modernization, growth in electric vehicles will reduce revenue dedicated to maintaining roads and bridges.

**Minnesota, like 41 other states, has adopted an annual EV surcharge to ensure equity between electric vehicle owners and drivers of internal combustion vehicles. The surcharge should reflect what the average vehicle currently contributes in annual fuel taxes.**



## Minnesota Highway Funding Shortfall

Fund	% of Total	20-Year Gap	10-Year Gap	Annual Gap
Trunk Highway	58.90%	\$17.8B	\$11.0B	\$1.1B
County State Aid Highway	32.55%		\$6.1B	\$.06B
Municipal State Aid Streets	8.55%		\$1.6B	\$.02B
HUTD			\$18.7B	\$1.9B

## Our Recommendations

Minnesota faces a significant and ongoing gap between available transportation funding and identified road and bridge needs. We encourage the legislature to review the work of the Electricity as a Fuel Work Group and support the following recommendations:

- Maintain the annual EV surcharge at a level comparable to the average annual fuel tax contribution of a Minnesota vehicle (currently approximately \$234).
- Maintain the 5-cent per kWh fee on electricity sold at retail EV charging stations.
- Clarify statutory language to ensure the charging fee applies to all retail electricity sales for vehicle charging.
- Ensure the charging station fee applies consistently to both Level 2 and Level 3 public charging infrastructure.
- Index the charging station fee to inflation, consistent with the indexing mechanism applied to the gasoline tax.

