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April 11, 2024

House File 3439 (Rehm)

Dear Chair Nelson and House Labor and Industry Members,

The National Federation of Independent Business (NFIB) represents more than 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

NFIB strongly opposes House File 3439, which mandates that new residential homes include at least one electric vehicle (EV) capable space per unit. In an NFIB survey of small business owners in Minnesota, **94% oppose direct or indirect subsidies for buying an EV or EV equipment.**

This mandate increases the cost of building new homes at a time when housing availability and affordability are barriers to growing our workforce. It is also a backdoor subsidy for auto manufacturers that are facing staggering losses on EV sales due to stagnant sales.¹

In January, Ford announced it was cutting back on EV production after a \$36,000 loss per vehicle on every vehicle sold in the third quarter of 2023.² The EV start-up Lucid lost \$227,802 per car in the same quarter.³ Homeowners and home builders should not be forced to bail out the failing EV plans of large multinational auto manufacturers.

Last year, Minnesota lawmakers pumped tens of thousands in taxpayer dollars into EV subsidies. The Legislature also authorized a new EV tax on utility bills – Transportation Electrification Plans – that could amount to hundreds of millions in additional subsidies.

Lawmakers cannot continue raising the cost of basic necessities like housing and energy and then puzzle over why life in Minnesota is increasingly expensive.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds'.

John L. Reynolds
Minnesota State Director
National Federation of Independent Business
john.reynolds@nfib.org

¹ "Automakers from Ford Motor and General Motors to Mercedes-Benz, Volkswagen, Jaguar Land Rover and Aston Martin are scaling back or delaying their electric vehicle plans." Wayland, Michael, "EV euphoria is dead. Automakers are scaling back or delaying their electric vehicle plans," cnbc.com, 3/13/2024.

² Shepardson, Gomes, "Ford cuts F-150 Lightning production as EV demand softens," Reuters.com, 1/19/2024.

³ "Lucid's \$227,802 EV Loss Leader," Wall Street Journal, 11/9/2023.