



DEDICATED TO A STRONG GREATER MINNESOTA

To: Chair Koznick and Members of the House Transportation Committee

Re: H.F. 189 – Zeleznikar

Date: February 14, 2025

Chair Koznick and Members:

The Coalition of Greater Minnesota Cities is an organization representing over 100 member cities both small and large, outside of the seven-county metro area. The CGMC has long supported measures to generate additional dedicated revenue for transportation projects in Greater Minnesota. Thank you for the opportunity to comment on House File 189.

The gas tax is currently one of the primary sources of revenue for state highways. With increasing adoption of electric vehicles expected to reduce revenue generated from the gas tax over time, the legislature should consider alternative funding options such as increasing the annual electric vehicle surcharge or developing a new fee charged per kilowatt hour at public electric vehicle charging stations with revenue dedicated to the Highway User Tax Distribution Fund.

H.F. 189 takes a step in this direction by increasing the current EV surcharge from \$75 to \$150. The average motorist pays over \$200 per year in gas tax so \$150 is a very reasonable amount that alone would still not fully replace revenue lost by switching from gas to electric.

Requiring a surcharge for electric motorcycles and plug-in hybrid vehicles at a lesser amount is logical to create additional revenue sources. With the trunk highway system facing a \$17.8 billion gap over the next 20 years, creative thinking will be required to fill that shortfall.

Thank you again to Chair Koznick, Rep. Zeleznikar, and committee members.

Sincerely,

Darrin Lee
Government Relations, Flaherty & Hood. P.A.
On behalf of the Coalition of Greater Minnesota Cities