



Fresh Energy

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The Honorable Frank Hornstein
Chair, Minnesota House Transportation Finance and Policy Committee
545 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Boulevard
St. Paul, MN 55155

Chair Hornstein and committee members,

Fresh Energy is a 30 year-old, Minnesota-based nonpartisan, not-for-profit organization. We work to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. Fresh Energy is also a member of Drive Electric Minnesota, a group of electric vehicle proponents including automakers, utilities and nonprofits seeking to support a transition to an electric transportation future in Minnesota. We appreciate the opportunity to offer our perspective on House File 523 (Elkins).

Fresh Energy believes all vehicles, regardless of their fuel type, should contribute their fair share to maintaining our roads.¹ However, as electric vehicles still represent only a small portion of on-road vehicles in Minnesota², focusing on them alone will not solve the larger issue of adequately funding road improvements. The highway user tax distribution fund has been chronically underfunded for many years for reasons unrelated to electric vehicles' growing—but still relatively small—portion of road usage.³

Policy solutions should be comprehensive and consider how all sources of funding to the highway user tax distribution fund (such as the gas tax and electric vehicle registration tax) should be updated to better address road funding and other driving impacts, such as air pollution and greenhouse gas emissions. A mileage-based user fee designed for all vehicles and working in tandem with other policy is a possible part of a bigger solution and good start to a broader conversation on this issue.

We appreciate Representative Elkins for working towards a solution to this important topic and look forward to continued conversations with lawmakers on how we can best ensure Minnesota's road infrastructure is fairly, adequately, and sustainably funded now and into the future.

Sincerely,

Anjali Bains
Lead Director, Energy Access and Equity
Fresh Energy
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¹ Indeed, EVs already contribute their fair share through their annual registration fee and motor vehicle sales tax. *See* Dane McFarlane, "Electric Vehicles Pay Their Fair Share," published March 2017.

² Per the [MnDOT EV Dashboard](#), as of December 11, 2021 there are 23,897 electric vehicles registered in the state

³ Increasing fuel efficiency of new vehicles coupled with a fixed gas tax set in the early 1990s that hasn't risen with inflation are two primary reasons. *See* Max Baumhefner, "A Simple Way to Fix the Gas Tax Forever." Aug 2019.