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The Honorable Greg Davids  
Chair, Taxes Committee  
Minnesota House of Representatives  
658 Cedar Street, 2<sup>nd</sup> Floor  
Saint Paul, MN 55155

Chair Davids and Committee Members,

Fresh Energy is a non-partisan, non-profit organization with over 30 years of experience developing practical clean energy policies that benefit all Minnesotans and help us achieve an equitable net-zero carbon economy by 2050. We are writing today to oppose the A10 author's amendment to House File 5, which would double the fee paid by electric vehicle owners from \$75 to \$150 annually.

According to the Minnesota Department of Transportation's November 2024 "Report on Options to Address the Highway User Tax Distribution Funding Gap", electric vehicles (EVs) already contribute sufficient tax revenue through higher sales taxes and tab fees to offset the lost gasoline tax revenues from the Internal Combustion Engine vehicles they replace. More funding for roadways is needed, but the funding gap we see today is caused by inflation, aging infrastructure, growing transportation needs, and the increased fuel efficiency of gasoline vehicles, not EVs. EVs only account for about 1% of on-road vehicles in Minnesota currently.

Subsequently, increasing the annual EV registration fee to \$150 would only contribute an additional \$3.1 million annually to the state's transportation fund without addressing any of the underlying causes of the *billions* required for roadway funding in the coming years. Instead, the increased fee will simply create another financial hurdle to EV adoption. EVs provide many benefits to Minnesotans, including cheaper lifetime operating costs, cleaner air, and greenhouse gas reductions—and EV drivers are already paying their fair share to roadway funding.

Fresh Energy believes in a comprehensive solution to roadway funding in which users pay their share of their actual costs imposed upon the system, regardless of the fuel they use. We also believe that there is a role for raising transportation revenues to help us achieve a cleaner and healthier Minnesota, but increasing EV registration fees is not the solution. For these reasons, we urge lawmakers to oppose the A10 author's amendment to House File 5.

Sincerely,

Nick Haeg  
Senior Associate, Electric Vehicles