



April 9, 2022

The Honorable Mary Kiffmeyer  
Chair, Senate Committee on State Gov.

The Honorable Michael Nelson  
Chair, House Committee on State Gov.

The Honorable Scott Newman  
Chair, Senate Committee on Transportation

The Honorable Frank Hornstein  
Chair, House Committee on Transportation

**RE: Electric Vehicle Provisions in the Omnibus State Government & Transportation Bill (SF 3975) and the Omnibus Energy Bill (SF 4091)**

Dear Chairs:

The Alliance for Automotive Innovation<sup>1</sup> (Auto Innovators) is writing to both conference committees to urge unified support for policies that support the growth of electric vehicle sales in Minnesota.

We are at a pivotal and transformative point in the automotive industry. Today, electric vehicles make up 4.4% of new vehicle sales in the U.S. In Minnesota, the figure is 2.9%. After the Pollution Control Agency's (PCA) adoption of California's Advanced Clean Cars program, the public was promised an "all of the above" approach to increasing EV sales in Minnesota. An "all of the above" approach is critical for Minnesota residents because the rule contained no consumer purchase incentives, no requirements that state government increase its own purchase of EVs, nor any funding to bring Minnesota's EV infrastructure up to the standards necessary to support the sales required by the PCA. Minnesota is far behind where it needs to be today and will fall farther behind unless the Legislature and Governor Walz act.

**Minnesota Should Leverage Federal IIJA Funds by Providing a State Match**

Auto Innovators supports the provision in the House Transportation Bill that provides \$6.8 million to leverage \$68 million of federal money to increase the build-out of EV infrastructure (161.12).

Auto Innovators opposes the provision in the Senate Transportation Bill that would prohibit state dollars from being used to match the IIJA funds because Minnesota needs charging infrastructure now and, failing to take advantage of this federal funding now will cost Minnesota residents more down the road (28.8). Prohibiting the state from spending matching funds will only hurt Minnesota residents, car dealers, and businesses that are investing in EVs.

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<sup>1</sup> Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology and other automotive-related companies and trade associations. For more information, visit our website <http://www.autosinnovate.org>.

### **Rapid Deployment of EV Infrastructure is Needed in Minnesota**

There's no question that accessibility and visibility to EV chargers is a key aspect of an expanded nationwide network. Minnesota currently has approximately 950 Level 2 (L2) charging stations and approximately 230 Direct Current Fast Charging (DCFC) stations, which is woefully inadequate when compared to that which is necessary to support the growing numbers of EVs.

While the U.S. Department of Energy notes that roughly 80 percent of all electric vehicle charging occurs at home, that number will decline as more people who do not own a single family home purchase EVs. It is critical that reliable and convenient access to workplace and public charging and refueling stations is available to support customers that adopt EVs.

Auto Innovators supports the provisions in the House Energy Bill that would build-out additional EV infrastructure across the state:

- \$500,000 install EV chargers at county facilities (193.6)
- Directing the Department of Labor & Industry to update the State Building Code to address needs for EV charging in new commercial and multi-family buildings (188.6)
- \$2.1 million to install EV chargers at state rest areas (187.20)
- \$4.1 million to install EV chargers at state parks (187.11)
- Electric Vehicle Deployment Program (253.6)

### **Minnesota Should Not Increase Taxes on Consumers Who Purchase EVs**

Like many states, Minnesota must confront the fiscal challenges of adequately funding an aging transportation system in the face of falling gas tax receipts. Environmental and energy security concerns have led to the enactment of state and federal policies to encourage energy source diversification and to stretch any petroleum ultimately used. Less fuel consumption – be it through improving efficiency of internal combustion engines or the increased use of alternate fuel sources – results in decreased revenue from the fuel tax.

**The EV tax proposed in the Senate Transportation Bill would be the highest in the country and would be significantly higher than any of your neighboring states (101.11).** Further, even though PHEV owners already pay the gas tax every time they fuel their vehicle, the Senate proposal seeks to impose an additional tax of \$114.50 on these vehicles (101.21). It is hard not to conclude that this tax is designed to punish Minnesotans who purchase EVs. Given that the average annual gas tax paid in Minnesota is approximately \$120, forcing Minnesota EV drivers to pay nearly twice that amount would be punitive and a disincentive to purchase the very vehicles that the State now requires auto manufacturers and dealers to sell.

### **Auto Innovators Supports the Provisions to Assist Auto Dealers in Selling EVs**

The transition to EVs requires investments by both auto manufacturers and auto dealers, and Auto Innovators supports the provisions in the House Energy Bill that would assist dealerships with the training and infrastructure needed to sell EVs in Minnesota.

### **The State Government Fleet Must Electrify to Support the California Emission Mandate**

As a major purchaser of automobiles and light-duty trucks, the State of Minnesota must step up to the plate and purchase EVs in significant numbers if it intends to meet the EV mandate it imposed. Auto Innovators supports the provision in the House Energy Bill that would establish an electric vehicle purchasing hierarchy in Minn. Stat. § 16C.135, subd. 3.

Thank you for your consideration of the Auto Innovators' position. Please do not hesitate to contact me at [jfisher@autosinnovate.org](mailto:jfisher@autosinnovate.org) or 202-326-5562, should I be able to provide any additional information.

Sincerely,

A handwritten signature in black ink that reads "Josh Fisher". The signature is written in a cursive style with a prominent loop at the end of the last name.

Josh Fisher  
Director, State Affairs

cc: Erik Rudeen, MnDOT  
Jon Kelly, Department of Commerce  
Representative Mary Murphy  
Representative Erin Koegel  
Representative Jim Nash  
Senator Jeff Howe  
Senator John Jasinski  
Senator Scott Dibble

