

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3233

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DATE 04/02/2025 D-PG 1278 OFFICIAL STATUS Introduction and first reading Referred to Transportation

1.1 A bill for an act
1.2 relating to transportation; establishing a road funding alternatives task force;
1.3 requiring a report; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **ROAD FUNDING ALTERNATIVES TASK FORCE.**

1.6 Subdivision 1. Task force established. A road funding alternatives task force is
1.7 established to review the adoption of all-electric and plug-in hybrid vehicles in Minnesota
1.8 and make recommendations on the need for road funding alternatives in lieu of traditional
1.9 fuel tax revenues.

1.10 Subd. 2. Membership. (a) The task force consists of the following members:

1.11 (1) four senators, two appointed by the senate majority leader and two appointed by the
1.12 senate minority leader;

1.13 (2) four members of the house of representatives, two appointed by the speaker of the
1.14 house and two appointed by the house minority leader;

1.15 (3) the commissioner of transportation or a designee who is an employee in the
1.16 Department of Transportation;

1.17 (4) the commissioner of public safety or a designee who is an employee in the Department
1.18 of Public Safety;

1.19 (5) the commissioner of management and budget or a designee who is an employee in
1.20 the Department of Management and Budget;

1.21 (6) four members of the public appointed by the governor;

2.1 (7) two representatives from the Center for Transportation Studies at the University of
2.2 Minnesota;

2.3 (8) one representative from an electric utility or cooperative;

2.4 (9) one representative from an organization with expertise in electric vehicle technology;

2.5 (10) one representative with expertise in alternative fuel vehicle adoption patterns;

2.6 (11) one representative from electric vehicle manufacturers;

2.7 (12) one representative from electric vehicle charging infrastructure companies; and

2.8 (13) one representative from the Minnesota Deputy Registrars Association.

2.9 (b) The appointing authorities under paragraph (a) must make the appointments by July
2.10 31, 2025.

2.11 (c) At its first meeting, the task force must elect from among its legislative members a
2.12 chair or cochairs and any other officers that the task force determines necessary or convenient.

2.13 Subd. 3. **Duties.** The task force must:

2.14 (1) evaluate Minnesota's current assessment of all-electric vehicles in Minnesota Statutes,
2.15 section 168.013, subdivision 1m, to determine whether the current assessment serves as an
2.16 appropriate system-wide source of revenue with the increased adoption of electric vehicles;

2.17 (2) develop, analyze, and evaluate proposed legislation on alternative road funding
2.18 mechanisms in Minnesota with an emphasis on sustainable solutions to transportation
2.19 infrastructure funding issues, including:

2.20 (i) a road user charge or mileage-based user fee for all-electric vehicles, including whether
2.21 the assessment should be mandatory or voluntary;

2.22 (ii) an increase or an indexed increase in the surcharge in Minnesota Statutes, section
2.23 168.013, subdivision 1m;

2.24 (iii) a tax on each kilowatt hour of electric fuel placed into the battery of an electric
2.25 vehicle at a public charging station;

2.26 (iv) a flat rate tax imposed on electric current sold by a charging station to be assessed
2.27 on sales per kilowatt hour, sales per hour, or a subscription fee; and

2.28 (v) potential assessments on electric commercial vehicles;

3.1 (3) analyze the potential use of indexed adjustments to proposed alternative road funding
3.2 mechanisms, such as the Minnesota Highway Construction Cost Index used for the gasoline
3.3 tax rate in Minnesota Statutes, section 296A.07, subdivision 3;

3.4 (4) analyze the application and viability of potential user-based discounts to the rate of
3.5 a fee, tax, or surcharge, including but not limited to:

3.6 (i) telematic-based discounts for certain driving behaviors;

3.7 (ii) the ability to pay monthly, quarterly, or in a fashion similar to the gas tax; or

3.8 (iii) a different rate of tax imposed on electric fuel placed into an electric vehicle at
3.9 public or private residences;

3.10 (5) conduct a survey of how other states assess all-electric vehicles, including whether
3.11 those revenue mechanisms constitute a long-term and stable source of state funds and the
3.12 identification of key policy and implementation challenges; and

3.13 (6) estimate costs and fiscal impacts of implementing the proposed legislation with a
3.14 timeline of implementing the proposed funding mechanism by the beginning of 2028.

3.15 Subd. 4. **State agencies.** State agencies must cooperate with the task force and provide
3.16 requested information in a timely fashion.

3.17 Subd. 5. **Meetings.** (a) By August 1, 2025, the chair of the Legislative Coordinating
3.18 Commission must convene the first meeting of the task force.

3.19 (b) The task force must establish a schedule for meetings and meet as necessary to
3.20 accomplish the duties under subdivision 3.

3.21 (c) The task force is subject to the Minnesota Open Meeting Law under Minnesota
3.22 Statutes, chapter 13D.

3.23 Subd. 6. **Administration.** (a) The Legislative Coordinating Commission must provide
3.24 administrative services and support and physical or virtual meeting space. Upon request of
3.25 the task force, the commissioner of transportation must provide technical support.

3.26 (b) Member compensation and reimbursement for expenses are governed by Minnesota
3.27 Statutes, section 15.059, subdivision 3.

3.28 Subd. 7. **Legislative report.** By March 15, 2026, the task force must submit a report to
3.29 the chairs and ranking minority members of the legislative committees with jurisdiction
3.30 over transportation finance and policy. At a minimum, the report must describe the activities
3.31 of the task force, including its evaluations and findings, cost estimates, and recommendations

4.1 for legislation to implement alternative road funding mechanisms as a stable, statewide
4.2 revenue source for Minnesota's transportation system.

4.3 Subd. 8. **Expiration.** The task force expires upon submission of the report required
4.4 under subdivision 7.

4.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.6 Sec. 2. **APPROPRIATION.**

4.7 \$..... in fiscal year 2026 is appropriated from the general fund to the commissioner of
4.8 transportation for the road funding alternatives task force established in section 1.

4.9 Notwithstanding Minnesota Statutes, section 16B.98, the commissioner may use up to two
4.10 percent of this appropriation for administrative costs. This is a onetime appropriation and
4.11 is available until expended.