

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1480

(SENATE AUTHORS: CARLSON)		
DATE	D-PG	OFFICIAL STATUS
02/17/2025	408	Introduction and first reading
		Referred to Transportation
04/01/2025		Comm report: Amended, No recommendation, re-referred to Taxes

1.1

A bill for an act

1.2

relating to transportation; imposing a road usage charge for all-electric vehicles;

1.3

requiring a report; appropriating money; amending Minnesota Statutes 2024,

1.4

sections 13.6905, by adding a subdivision; 168.002, by adding a subdivision;

1.5

168.013, subdivision 1m; proposing coding for new law in Minnesota Statutes,

1.6

chapter 168.

1.7

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

1.8

Section 1. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision

1.9

to read:

1.10

Subd. 39. Road usage charge data. Data related to road usage charges are governed

1.11

by section 168.0132.

1.12

Sec. 2. Minnesota Statutes 2024, section 168.002, is amended by adding a subdivision to

1.13

read:

1.14

Subd. 1a. All-electric vehicle. "All-electric vehicle" has the meaning given in section

1.15

169.011, subdivision 1a.

1.16

Sec. 3. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

1.17

Subd. 1m. **Electric vehicle.** (a) In addition to the tax under subdivision 1a, a surcharge

1.18

of \$75 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a.

1.19

Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must

1.20

be deposited in the highway user tax distribution fund.

1.21

(b) This subdivision applies to a registration period starting on or before June 30, 2026.

2.1 Sec. 4. [168.0132] ROAD USAGE CHARGE.

2.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
2.3 the meanings given.

2.4 (b) "Account provider" means a person, firm, corporation, or partnership of firms or
2.5 corporations that performs road usage charge management for enrolled vehicle owners and
2.6 usage charge calculation under an agreement with the commissioner.

2.7 (c) "Adjustment rate" means \$0.065.

2.8 (d) "Analogous fuel economy" means distance traveled by a motor vehicle as it relates
2.9 to fuel consumed by the vehicle, in miles per gallon, that applies for a specific vehicle
2.10 classification and model year.

2.11 Subd. 2. Usage charge. (a) The owner of an all-electric vehicle must pay a road usage
2.12 charge. The usage charge is in addition to the tax under section 168.013, subdivision 1a.
2.13 The commissioner must impose the usage charge continuously for each registration period,
2.14 using the relevant calculation under paragraph (b), (c), or both.

2.15 (b) For a billing period in which account management is active for a vehicle, the usage
2.16 charge is calculated as:

2.17 (1) the miles traveled by the vehicle within Minnesota over the billing period; multiplied
2.18 by

2.19 (2) the ratio that the total excise tax rate for gasoline under section 296A.07, including
2.20 the surcharge rate under section 296A.083, bears to the analogous fuel economy, as
2.21 determined in subdivision 3.

2.22 (c) For a billing period in which paragraph (b) does not apply, the usage charge is
2.23 calculated as:

2.24 (1) the estimated average daily vehicle miles traveled per vehicle in Minnesota multiplied
2.25 by the number of days in the billing period; multiplied by

2.26 (2) the total excise tax rate for gasoline under section 296A.07, including the surcharge
2.27 rate under section 296A.083, divided by the analogous fuel economy, as determined in
2.28 subdivision 3; plus

2.29 (3) the adjustment rate multiplied by the number of days in the billing period.

2.30 (d) The total road usage charge to an enrolled vehicle owner calculated in paragraph (b)
2.31 for an entire vehicle registration period must not exceed the total that would otherwise apply
2.32 under a corresponding calculation in paragraph (c).

(e) The commissioner must estimate average daily vehicle miles traveled under paragraph (c), clause (1), in consultation with the commissioner of transportation, using the most recently available year of data.

Subd. 3. **Analogous fuel economy.** In consultation with the commissioner of transportation, the commissioner must determine analogous fuel economy for each vehicle subject to the usage charge under this section. The commissioner must use federal data on automotive trends maintained by the United States Environmental Protection Agency, and the determination must be based on:

(1) the vehicle classification that applies to the vehicle from among the following types or successor types as specified by the Environmental Protection Agency: sedan/wagon, car sport utility vehicle, truck sport utility vehicle, minivan/van, or pickup; and

(2) for the relevant vehicle classification, the final estimated real-world fuel economy, in miles per gallon, for the year matching the model year of the vehicle, or if that data is unavailable, for the year prior to the model year of the vehicle. To the extent feasible, the estimate under this clause must exclude all-electric vehicles.

Subd. 4. **Road usage charge management agreement.** (a) The commissioner must enter into an agreement with one or more account providers to perform road usage charge management. Each agreement must specify:

(1) account provider responsibility to enroll vehicle owners in usage charge management;

(2) road usage charge calculations and verification;

(3) designated responsibility for road usage charge billing, collections, and remittance, which may be performed by the commissioner, the account provider, or a combination of both;

(4) policies to determine whether road usage charge management is active for a vehicle;

(5) policies on prepayment, account balance minimum, and balance replenishment;

(6) audit activity, which must include providing for revising prior usage charges based on submitted odometer information;

(7) account provider responsibility for customer service;

(8) road usage charge information that is available to each enrolled vehicle owner, which must include vehicle miles traveled over each billing period and an overview of usage charge calculation;

(9) requirements governing terms and conditions for enrolled vehicle owners; and

4.1 (10) standards for data security.

4.2 (b) The commissioner may award a contract for purposes of this subdivision under the
4.3 best value method of contracting in conformance with chapter 16C.

4.4 Subd. 5. **Account providers; implementation capability.** (a) An account provider must
4.5 be capable of accurately identifying miles traveled by the vehicle within Minnesota, whether
4.6 from data supplied by a vehicle manufacturer or through a device that is affixed to the
4.7 vehicle and transmits geolocation information.

4.8 (b) An account provider must have a reasonable anticipated capacity to implement, in
4.9 the future, identification of vehicle miles traveled during specific times of day, over specific
4.10 road segments, within managed lanes, and in a combination of these situations.

4.11 Subd. 6. **Account providers; data practices.** (a) An account provider must share with
4.12 the commissioner the following data on an enrolled vehicle owner:

4.13 (1) data on the vehicle owner and the vehicle sufficient to identify the appropriate
4.14 matching records in the driver and vehicle services information systems;

4.15 (2) the billing period; and

4.16 (3) the calculated usage charge amount.

4.17 (b) An account provider must submit the data listed in paragraph (a) electronically in
4.18 the manner and by the dates specified by the commissioner.

4.19 (c) An account provider must not share with the commissioner, and the commissioner
4.20 must not otherwise obtain from an account provider, geolocation data for a specifically
4.21 identifiable vehicle.

4.22 (d) An account provider must not share or disseminate data on an enrolled vehicle owner
4.23 with an entity other than the commissioner, except pursuant to a court order.

4.24 (e) Nothing in this subdivision prevents an account provider from sharing or disseminating
4.25 summary data, as defined in section 13.02, subdivision 19.

4.26 (f) Services provided by an account provider under this section are not a government
4.27 function for purposes of section 13.05, subdivision 11.

4.28 (g) An account provider's agreement with the commissioner is subject to section 13.05,
4.29 subdivision 6.

4.30 Subd. 7. **Odometer data.** A manufacturer of a new motor vehicle sold or offered for
4.31 sale within this state must provide access for vehicle mileage and odometer data to an

account provider for purposes of this section, following authorization by the vehicle owner or lessee. The access must be provided through an application programming interface or other similar information technology.

Subd. 8. **Deposit of revenue; appropriation.** (a) Notwithstanding section 168.013, subdivision 8, revenue collected by the commissioner under this section must be deposited as follows:

(1) 11 percent in the driver and vehicle services operating account; and

(2) the remainder in the highway user tax distribution fund.

(b) The amount deposited in the driver and vehicle services operating account under this subdivision is appropriated to the commissioner for payments to account providers and administrative costs under this section incurred by the commissioner.

Subd. 9. **Legislative report.** (a) By November 15 annually, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the road usage charge. At a minimum, the report must:

(1) provide an implementation overview, including enrollment activity and vehicle miles traveled;

(2) summarize the agreement with each account provider, including information on each of the specified areas identified under subdivision 5, paragraph (a);

(3) review road usage charge finances, including total annual collections, appropriations under subdivision 8, analogous fuel economy amounts, and average daily vehicle miles traveled estimates; and

(4) make recommendations, if any, on legislative changes to road usage charge requirements.

(b) This subdivision expires June 30, 2031.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to a registration period starting on or after that date.

Sec. 5. ROAD USAGE CHARGE; PHASE-IN.

(a) For a road usage charge under Minnesota Statutes, section 168.0132, imposed in a billing period that starts on or after July 1, 2026, and before July 1, 2027:

6.1 (1) the amounts calculated under subdivision 2, paragraph (b), clause (2), and subdivision
6.2 2, paragraph (c), clause (2), are multiplied by 0.6; and

6.3 (2) the adjustment rate is multiplied by 0.6.

6.4 (b) For a road usage charge under Minnesota Statutes, section 168.0132, imposed in a
6.5 billing period that starts on or after July 1, 2027, and before July 1, 2028:

6.6 (1) the amounts calculated under subdivision 2, paragraph (b), clause (2), and subdivision
6.7 2, paragraph (c), clause (2), are multiplied by 0.8; and

6.8 (2) the adjustment rate is multiplied by 0.8.

6.9 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to a registration
6.10 period starting on or after that date.

6.11 Sec. 6. **APPROPRIATION; ROAD USAGE CHARGE.**

6.12 \$..... in fiscal year 2026 is appropriated from the driver and vehicle services operating
6.13 account in the special revenue fund to the commissioner of public safety for administrative
6.14 costs to implement the road usage charge under Minnesota Statutes, section 168.0132. This
6.15 is a onetime appropriation and is available until June 30, 2028.