SENATE
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BILL SUMMARY

# S.F. No. 1480– Road usage charge enactment for all-electric vehicles (As proposed to be amended by A-1 amendment)

**Author:** Senator Jim Carlson

**Prepared by:** Tim Greenfield, Senate Counsel (tim.greenfield@mnsenate.gov)

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**S.F. 1480** imposes a road usage charge for all-electric vehicles in Minnesota, for registrations beginning on or after July 1, 2026.

**Section 1** classifies data related to road usage charges.

**Section 2** adds the definition of "all-electric vehicle" ("EV") to the vehicle registration chapter of law. An all-electric vehicle is an electric vehicle that is solely able to be powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electric current, and excludes plug-in hybrid electric vehicles.

**Section 3** sunsets the existing $75 surcharge imposed on all-electric vehicles registered in Minnesota by July 1, 2026.

**Section 4** establishes the road usage charge for all-electric vehicles. Effective July 1, 2026, for registrations on or after that date.

> **Subdivision 1** defines terms for purposes of the road usage charge, including "account provider", "adjustment rate", and "analogous fuel economy."
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> **Subdivision 2** requires the owner of an EV to pay a road usage charge in addition to its yearly registration tax. **Paragraph (b)** specifies the usage charge when account management is active for an EV as (1) the miles travelled in Minnesota during the billing period multiplied by (2) the ratio of the total gas tax rate bears to the vehicle's analogous fuel economy as determined in subdivision 3.
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> **Paragraph (c)** governs the rate when account management is not active for an EV, the usage charge is calculated as (1) the estimated average daily vehicle miles travelled ("VMT") per vehicle in Minnesota multiplied by the number of days in the billing period multiplied by (2) the total gas tax rate divided by the analogous fuel economy as

determined in subdivision 3 plus (3) the adjustment rate multiplied by the number of days in the billing period.

The total road usage charge to an enrolled EV owner in **paragraph (b)** must not exceed the total that would otherwise apply in **paragraph (c)**. Requires the commissioner of public safety to consult with the commissioner of transportation to determine the estimated average daily vehicle miles traveled for purposes of paragraph (c), clause (1).

**Subdivision 3** establishes the method by which the commissioner of public safety determines analogous fuel economy for each vehicle subject to the usage charge.

**Subdivision 4** requires the commissioner of public safety to enter into a road usage charge management agreement with one or more account providers to provide road usage charge management. Specifies agreement requirements. Authorizes the commissioner to award a contract under the best value method of state contracting.

**Subdivision 5** specifies implementation capability requirements for account providers. An account provider must be capable of accurately identifying VMT in Minnesota either from data supplied by a vehicle manufacturer or an external data collection device affixed to the vehicle that transmits geolocation information. Requires certain anticipated capacity features in the future.

**Subdivision 6** establishes data practice requirements for account providers of road usage charges. Specifically prohibits an account provider from sharing with the commissioner and the commissioner from obtaining geolocation data for a specifically identifiable vehicle.

**Subdivision 7** requires the manufacturer of a new motor vehicle sold or offered for sale within this state to 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 or some other similar form of programming interface.

**Subdivision 8** specifies that revenue collected from the road usage charge must be deposited highway user tax distribution fund.

**Subdivision 9** requires an annual legislative report on the road usage charge, its implementation, a summary agreement of each account provider, and review of its finances. Expires June 30, 2031.

**Section 5** establishes a phase-in schedule for the road usage charge imposed in **section 4**. Between July 1, 2026 and before July 1, 2027, the road usage charge and adjustment rate are multiplied by .6, and between July 1, 2027, and before July 1, 2028, the road usage charge and adjustment rate are multiplied by .8.

**Section 6** appropriates an unspecified sum from the driver and vehicle services operating account for administrative costs to implement the road usage charge program. Available until June 30, 2028.



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95 University Ave. W., STE 3300, Saint Paul, MN, 55155