Council 5 AFSCME

AFSCME Council 5
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Chair Dibble and Members of the Senate Transportation Committee:

AFSCME Council 5 represents 43,000 public and private sector workers across the state of Minnesota, including road maintenance and public works employees at MNDOT, the Met Council, counties, and municipalities across Minnesota. Our members rely on the dedicated revenues generated by gas taxes, license tab fees, and other transportation-related fees to maintain one of the largest road networks in the country, while maintaining high levels of service for both summer construction seasons and winter snow and ice removal.

We are writing in support of the four bills that are being heard today related to increasing revenue from electric vehicles. EVs account for an increasingly larger share of the vehicles traveling our statewide road network, with the number of EVs and hybrids growing 5.5 times since 2018, according to MNDOT. While this is encouraging for consumers and environmentalists, with greater capacity to reduce an individual's carbon footprint, we do have to begin examining increasing EV drivers' contributions to our transportation funds to both reflect their share in road degradation, and to have parity with other vehicle operators who pay more into the HUTDF annually despite driving the same amount.

The range of funding options before you today are encouraging, in both scale and variety, though we do have concerns about the implementation of some of these proposals. For S.F. 966, AFSCME supports increasing the surcharge for all-electric vehicles to $150, as well as creating a surcharge for other electric vehicles; however, we oppose using general fund dollars to pay for transportation if replacement revenue isn't included in the package. While we certainly want to encourage more investment in transportation, this proposal would take away some capacity to pay for education, public safety, and the social safety net that millions of Minnesotans rely on.

For S.F. 1480, we support exploring a Vehicle Miles Travelled (VMT) tax not only for electric vehicles, but all vehicles that travel within Minnesota, as this would likely be a more precise tool ensuring that those who drive on our roads pay for its maintenance than the gas tax and EV surcharge is now.That being said, there are major implementation questions that need to be answered, and there are several ways, for those who prioritize tax avoidance, to do so under a VMT model.

For S.F. 2092, we support implementing a public electric fuel tax, as it is relatively easy to implement and does generate new revenue for transportation. However, it doesn't apply to residential charging stations which will likely be the primary way most EV owners recharge their vehicles.

We also supports S.F. 2688, increasing the surcharges for electric vehicles from $75 to $200, along with new surcharges for other EVs. We thank all of the bill authors for their interest in increasing dedicated funding for maintaining our roads and bridges.

We thank you for your consideration of these surcharges and fees for electric vehicles, and we encourage you to incorporate additional dedicated revenue for operations and maintenance in your omnibus transportation bill.

In Solidarity,

Ethan Vogel

Ethan Vogel
Legislative Director
AFSCME Council 5

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