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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **1133**

02/13/2017 Authored by Garofalo
The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy
03/09/2017 Adoption of Report: Amended and re-referred to the Committee on Transportation Finance
03/15/2017 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to motor vehicles; amending registration tax and operation in managed
1.3 lanes for certain electric vehicles; amending Minnesota Statutes 2016, sections
1.4 160.93, by adding a subdivision; 168.013, subdivision 1a, by adding a subdivision;
1.5 169.011, subdivision 26a, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2016, section 160.93, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 6. All-electric vehicles. (a) A person who is a single occupant may operate an
1.10 all-electric vehicle, as defined in section 169.011, subdivision 1a, in a priced lane, designated
1.11 high-occupancy vehicle lane, or dynamic shoulder lane.

1.12 (b) The commissioner must not impose a monthly service or subscription fee, a per-trip
1.13 charge, or other use fee for operation in a lane. The commissioner may require use of a
1.14 toll-collection device for vehicles operated under this subdivision.

1.15 Sec. 2. Minnesota Statutes 2016, section 168.013, subdivision 1a, is amended to read:

1.16 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
1.17 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax ~~shall be~~
1.18 is \$10 plus an additional tax equal to 1.25 percent of the base value.

1.19 (b) Subject to the classification provisions herein, "base value" means the manufacturer's
1.20 suggested retail price of the vehicle including destination charge using list price information
1.21 published by the manufacturer or determined by the registrar if no suggested retail price

2.1 exists, and shall not include the cost of each accessory or item of optional equipment
 2.2 separately added to the vehicle and the suggested retail price.

2.3 (c) If the manufacturer's list price information contains a single vehicle identification
 2.4 number followed by various descriptions and suggested retail prices, the registrar shall
 2.5 select from those listings only the lowest price for determining base value.

2.6 (d) If unable to determine the base value because the vehicle is specially constructed,
 2.7 or for any other reason, the registrar may establish such value upon the cost price to the
 2.8 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
 2.9 or use tax or any local sales or other local tax.

2.10 (e) The registrar shall classify every vehicle in its proper base value class as follows:

2.11	FROM	TO
2.12	\$ 0	\$ 199.99
2.13	\$ 200	\$ 399.99

2.14 and thereafter a series of classes successively set in brackets having a spread of \$200
 2.15 consisting of such number of classes as will permit classification of all vehicles.

2.16 (f) The base value for purposes of this section shall be the middle point between the
 2.17 extremes of its class.

2.18 (g) The registrar shall establish the base value, when new, of every passenger automobile
 2.19 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,
 2.20 using list price information published by the manufacturer or any nationally recognized
 2.21 firm or association compiling such data for the automotive industry. If unable to ascertain
 2.22 the base value of any registered vehicle in the foregoing manner, the registrar may use any
 2.23 other available source or method. The registrar shall calculate tax using base value
 2.24 information available to dealers and deputy registrars at the time the application for
 2.25 registration is submitted. The tax on all previously registered vehicles shall be computed
 2.26 upon the base value thus determined taking into account the depreciation provisions of
 2.27 paragraph (h).

2.28 (h) The annual additional tax must be computed upon a percentage of the base value as
 2.29 follows: during the first year of vehicle life, upon 100 percent of the base value; for the
 2.30 second year, 90 percent of such value; for the third year, 80 percent of such value; for the
 2.31 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
 2.32 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
 2.33 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
 2.34 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

3.1 (i) In no event shall the annual additional tax be less than \$25.

3.2 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,
3.3 ~~the annual additional tax total amount~~ due under this subdivision and subdivision 1m must
3.4 not exceed the smallest total amount of ~~annual additional tax~~ previously paid or due on the
3.5 vehicle.

3.6 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
3.7 applies to taxes payable for a registration period starting on or after January 1, 2018.

3.8 Sec. 3. Minnesota Statutes 2016, section 168.013, is amended by adding a subdivision to
3.9 read:

3.10 Subd. 1m. **All-electric vehicle.** In addition to the tax under subdivision 1a, an all-electric
3.11 vehicle, as defined in section 169.011, subdivision 1a, must pay a surcharge equaling \$85.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
3.13 applies to a registration period starting on or after January 1, 2018.

3.14 Sec. 4. Minnesota Statutes 2016, section 169.011, is amended by adding a subdivision to
3.15 read:

3.16 Subd. 1a. **All-electric vehicle.** (a) "All-electric vehicle" means an electric vehicle that
3.17 is able to be powered solely by an electric motor drawing current from rechargeable storage
3.18 batteries, fuel cells, or other portable sources of electrical current.

3.19 (b) All-electric vehicle excludes a plug-in hybrid electric vehicle.

3.20 Sec. 5. Minnesota Statutes 2016, section 169.011, subdivision 26a, is amended to read:

3.21 Subd. 26a. **Electric vehicle.** (a) "Electric vehicle" means a motor vehicle that (1) is able
3.22 to be powered by an electric motor drawing current from rechargeable storage batteries,
3.23 fuel cells, or other portable sources of electrical current, and (2) meets or exceeds applicable
3.24 regulations in Code of Federal Regulations, title 49, part 571, and successor requirements.

3.25 (b) Electric vehicle includes: ~~(1)~~ an all-electric vehicle, a neighborhood electric vehicle;
3.26 ~~(2)~~ a medium-speed electric vehicle; ~~(3)~~ and (3) a plug-in hybrid electric vehicle.