

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

**S.F. No. 4603**

(SENATE AUTHORS: FATEH)

**DATE**  
03/07/2024

**D-PG**  
12031

Introduction and first reading  
Referred to Transportation  
See HF5247

**OFFICIAL STATUS**

1.1 A bill for an act  
1.2 relating to transportation; establishing a vehicle size and weight surcharge for  
1.3 motor vehicle registration; making technical changes; amending Minnesota Statutes  
1.4 2022, sections 168.013, by adding a subdivision; 174.40, subdivision 3; Minnesota  
1.5 Statutes 2023 Supplement, section 168.013, subdivision 1a.

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

1.7 Section 1. Minnesota Statutes 2023 Supplement, section 168.013, subdivision 1a, is  
1.8 amended to read:

1.9 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
1.10 section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration  
1.11 tax is calculated as \$10 plus:

1.12 (1) for a vehicle initially registered in Minnesota prior to November 16, 2020, 1.54  
1.13 percent of the manufacturer's suggested retail price of the vehicle and the destination charge,  
1.14 subject to the adjustments in paragraphs (e) and (f); or

1.15 (2) for a vehicle initially registered in Minnesota on or after November 16, 2020, 1.575  
1.16 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments  
1.17 in paragraphs (e) and (f).

1.18 (b) The registration tax calculation must not include the cost of each accessory or item  
1.19 of optional equipment separately added to the vehicle and the manufacturer's suggested  
1.20 retail price. The registration tax calculation must not include a destination charge, except  
1.21 for a vehicle previously registered in Minnesota prior to November 16, 2020.

1.22 (c) The registrar must determine the manufacturer's suggested retail price:

2.1 (1) using list price information published by the manufacturer or any nationally  
2.2 recognized firm or association compiling such data for the automotive industry;

2.3 (2) if a dealer does not determine the amount, using the retail price label as provided by  
2.4 the manufacturer under United States Code, title 15, section 1232; or

2.5 (3) if the retail price label is not available, using the actual sales price of the vehicle.

2.6 If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered  
2.7 vehicle in the foregoing manner, the registrar may use any other available source or method.

2.8 (d) The registrar must calculate the registration tax using information available to dealers  
2.9 and deputy registrars at the time the initial application for registration is submitted.

2.10 (e) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a  
2.11 percentage of the manufacturer's suggested retail price, as follows:

2.12 (1) during the first year of vehicle life, upon 100 percent of the price;

2.13 (2) for the second year, 95 percent of the price;

2.14 (3) for the third year, 90 percent of the price;

2.15 (4) for the fourth year, 80 percent of the price;

2.16 (5) for the fifth year, 70 percent of the price;

2.17 (6) for the sixth year, 60 percent of the price;

2.18 (7) for the seventh year, 50 percent of the price;

2.19 (8) for the eighth year, 40 percent of the price;

2.20 (9) for the ninth year, 25 percent of the price; and

2.21 (10) for the tenth year, ten percent of the price.

2.22 (f) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1)  
2.23 and (2), must be calculated as \$20.

2.24 (g) Except as provided in subdivision 23, for any vehicle previously registered in  
2.25 Minnesota and regardless of prior ownership, the total amount due under this subdivision  
2.26 and ~~subdivision~~ subdivisions 1m and 1n must not exceed the smallest total amount previously  
2.27 paid or due on the vehicle. The commissioner must reduce the amount imposed under this  
2.28 subdivision as necessary to meet the requirements under this paragraph.

2.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
2.30 applies to taxes payable for a registration period starting on or after January 1, 2025.

3.1 Sec. 2. Minnesota Statutes 2022, section 168.013, is amended by adding a subdivision to  
3.2 read:

3.3 Subd. 1n. **Vehicle size and weight surcharge.** (a) In addition to the tax under subdivision  
3.4 1a, a surcharge is imposed on a passenger automobile equal to the sum of the amounts  
3.5 determined in paragraphs (b) and (c), if any.

3.6 (b) An amount is determined from the gross vehicle weight rating of the vehicle, as  
3.7 indicated on the manufacturer's certification label, as follows:

3.8 (1) for under 3,000 pounds, \$0;

3.9 (2) for 3,000 to 3,999 pounds, \$50;

3.10 (3) for 4,000 to 4,999 pounds, \$75;

3.11 (4) for 5,000 to 5,999 pounds, \$100; and

3.12 (5) for 6,000 pounds or more, \$150.

3.13 (c) An amount is determined from the height of the front hood of the vehicle, as follows:

3.14 (1) for fewer than 36 inches, \$0;

3.15 (2) for 36 to 40 inches, \$15;

3.16 (3) for 41 to 45 inches, \$20; and

3.17 (4) for 46 inches or more, \$25.

3.18 (d) The commissioner must identify the height of the front hood of a vehicle under  
3.19 paragraph (c) using information from the following, in order of precedence:

3.20 (1) as published by the manufacturer;

3.21 (2) as published by any nationally recognized firm or association compiling such data  
3.22 for the automotive industry; or

3.23 (3) any other available source or method.

3.24 (e) Notwithstanding subdivision 8, the commissioner must allocate revenue from the  
3.25 surcharge under this subdivision as follows:

3.26 (1) 45 percent deposited in the active transportation account in the special revenue fund;

3.27 (2) 45 percent to the Metropolitan Council for active transportation grants as provided  
3.28 under section 473.4465, subdivision 3; and

3.29 (3) ten percent deposited in the safe routes to school account in the special revenue fund.

4.1 (f) The surcharge under this subdivision does not apply to:

4.2 (1) a vehicle for which disability plates are issued; and

4.3 (2) a vehicle owner who provides documentation from a government or nonprofit agency  
4.4 or legal aid office that the owner:

4.5 (i) is homeless;

4.6 (ii) receives relief based on need as specified under section 168B.07, subdivision 3,  
4.7 paragraph (a); or

4.8 (iii) is eligible for legal aid services.

4.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
4.10 applies to taxes payable for a registration period starting on or after January 1, 2025.

4.11 Sec. 3. Minnesota Statutes 2022, section 174.40, subdivision 3, is amended to read:

4.12 Subd. 3. **Safe routes to school accounts.** (a) A safe routes to school account is established  
4.13 in the bond proceeds fund. The account consists of state bond proceeds appropriated to the  
4.14 commissioner. Money in the account may only be expended on bond-eligible costs of a  
4.15 project receiving financial assistance as provided under this section. All uses of funds from  
4.16 the account must be for publicly owned property.

4.17 (b) A safe routes to school account is established in the ~~general~~ special revenue fund.  
4.18 The account consists of funds as provided by law, and any other money donated, allotted,  
4.19 transferred, or otherwise provided to the account. Money in the account may only be  
4.20 expended on a project receiving financial assistance as provided under this section.

4.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.