

Resolution Number 21-018
RESOLUTION OPPOSING STATE OF MINNESOTA
ADOPTING CALIFORNIA'S CLEAN-CAR INITIATIVE

WHEREAS, the Minnesota Governor's Administration and Minnesota Pollution Control Agency (MPCA) are considering the adoption of a rulemaking process that would bind the State of Minnesota to California's motor vehicle emission regulations; and,

WHEREAS, the Economic Development Authority in and for the City of Marshall received information from the Minnesota Auto Dealers Association regarding the proposal that the State of Minnesota and MPCA are proposing to proceed with a rule making process to adopt California's motor vehicle emission regulations, and at that informational meeting, the Economic Development Authority was advised that the following information is relevant to the automobile industry in the State of Minnesota:

1. That Minnesota has 338 automotive dealerships that sell new vehicles and that those businesses create 45,000 jobs and in 2019 those dealerships generated sales of \$15.9 billion, had a payroll of \$1.2 billion and paid \$1.0 billion in state sales tax and,
2. That Marshall, Minnesota has 2 automotive dealerships that sell new vehicles which equates to nearly 148 jobs and in 2020 these dealerships generated sales of \$116.6 million, and had a payroll of \$8.6 million and,
3. That last year the pandemic in 2020 resulted in an approximate 20% drop in vehicle sales and affected jobs in the automobile market and,
4. That on a national average, approximately 5% of vehicles purchased in a state are registered to customers from outside that state and in Minnesota that number of vehicles purchased in Minnesota, but registered outside the State of Minnesota is approximately 10% of total sales and that some dealerships dependent on customers from neighboring states for a significant portion of their sales and,
5. It has been estimated the price of all vehicles will increase by a minimum of \$1,139 with the adoption of the California emissions standards, and that the price increase would negatively affect sales that Minnesota automotive dealers make to customers from surrounding states and,
6. That cross-border sales and the inability to locate certified dealers and mechanics will be a hardship on dealers and consumers and would adversely affect communities in greater Minnesota; and

WHEREAS, the proposed California emission standards and regulations would go into effect for Minnesota in 2024 and the MPCA is proposing early adoption credits for electric vehicles to encourage investing early in the necessary infrastructure and these costs would fall on Minnesota dealerships, who must buy the cars and bear the brunt of the financial risk; and

WHEREAS, President Biden has announced his intention to address climate change and his administration plans to reinstate and advance more stringent fuel economy standards; and

WHEREAS, if the federal government plans to restore the stringent vehicle emission standards the MPCA has historically relied on, the Minnesota Auto Dealers Association has advocated opposition to Minnesota moving forward with a plan to follow the California regulations and standards, instead of waiting for the Biden Administration to reinstate the previous standards; and

WHEREAS, the MPCA rules would go into effect in 2024 and in the following year California will institute updated rules for models beginning in 2026 and begin to phase out of the sale of gas-powered motor vehicles by 2035; and

WHEREAS, Minnesota's auto dealers are requesting the Walz Administration drop this rule making plan and work with our legislators and stakeholders for homegrown solutions to address climate change and advance cleaner vehicles; and

WHEREAS, the Minnesota Auto Dealers Association and the Marshall Economic Development Authority believe that the rule making process is an inappropriate process to address the automotive emissions issues and further believes that legislative action, discussion, and vigorous debate on this matter is a more legitimate process to follow for the adoption of appropriate rules and regulations for automotive emissions and;

WHEREAS, the Economic Development Authority in and for the City of Marshall has recommended that the City of Marshall adopt a resolution opposing the adoption of the California Clean Car Initiative.

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of Marshall, Minnesota to oppose the rule making processes to adopt California's Clean-Car Initiative, as currently proposed by the Walz Administration and the MPCA.

The above and foregoing resolution was offered at a regular meeting of the City Council held on February 23, 2021 by Council Member _____ who moved its adoption, was seconded by Council Member _____ and was adopted by the following vote:

AYES:

NAYS:

Whereupon the above resolution was duly adopted.

ATTEST:

ADOPTED:

City Administrator

Mayor