HB 2092-2 (LC 1694) 3/26/15 (HE/ps)

## PROPOSED AMENDMENTS TO HOUSE BILL 2092

1 On <u>page 1</u> of the printed bill, line 19, delete "shall" and insert "may".

2 In line 8, delete "6" and insert "7".

3 In line 22, delete "\$15 million" and insert "\$\_\_\_\_".

4 On page 2, line 8, delete "\$15 million" and insert "\$\_\_\_\_".

5 Delete lines 27 through 45 and delete pages 3 and 4 and insert:

6 "<u>SECTION 4.</u> (1) As used in this section, 'zero-emission vehicle' 7 means a vehicle with a gross vehicle weight rating of 8,500 pounds or 8 less that produces no emissions or pollution from its exhaust.

"(2) The Director of the State Department of Energy shall hire or
contract with a third-party organization to develop and implement a
Charge Ahead Oregon program for the purpose of achieving the goals
described in subsection (3) of this section.

"(3) The goals of the Charge Ahead Oregon program include but are
 not limited to the following:

"(a) Increasing the use of electric vehicles and zero-emission vehi cles across Oregon;

"(b) Increasing the use of electric vehicles and zero-emission vehi cles in rural communities;

"(c) Increasing the use of electric vehicles and zero-emission vehicles among low income households and moderate income households,
as those terms are defined in ORS 456.270;

<sup>22</sup> "(d) Making electric vehicles more affordable to all Oregonians; and

"(e) Increasing electric vehicle infrastructure throughout this state.
"(4) To maximize participation, at least three programs shall be
developed across this state to reach communities that might not otherwise have access to zero-emission vehicles.

"SECTION 5. As used in this section and section 6 of this 2015 Act:
"(1) 'Light-duty zero-emission vehicle' means a motor vehicle that:
"(a) Has a gross vehicle weight rating of 8,500 pounds or less;

8 "(b) Is capable of attaining a speed of 55 miles per hour or more;
9 and

10 "(c) Is powered by any of the following means:

"(A) Primarily through the use of an electric battery but may use
 a flywheel energy storage device or a capacitor that also stores energy
 to assist in vehicle operation.

"(B) Through the use of polymer electrolyte membrane fuel cells
 or proton exchange membrane fuel cells that use hydrogen fuel and
 oxygen from the air to produce electricity.

17 "(C) Predominantly through the use of a zero-emission energy 18 storage device that provides enough power for the light-duty zero-19 emission vehicle to travel for 75 miles or more using only electricity 20 but may use a backup alternative power unit that does not operate 21 until the energy storage device is fully depleted.

22 "(2) 'Neighborhood electric vehicle' means a low-speed vehicle that:

23 "(a) Is powered using an electric battery;

<sup>24</sup> "(b) Has a gross vehicle weight not exceeding 3,000 pounds; and

25 "(c) Has at least four wheels.

"(3) 'Person' means a person as defined in ORS 174.100 or a public
body as defined in ORS 174.109.

"(4) 'Plug-in hybrid electric vehicle' means a hybrid electric vehicle
 that:

30 "(a) Has zero-emission vehicle range capability;

"(b) Has an on-board electrical energy storage device with useful
capacity of 10 or more miles of urban dynamometer driving schedule
range, as described by the United States Environmental Protection
Agency, on electricity alone;

5 "(c) Is equipped with an on-board charger;

6 "(d) Is rechargeable from an external connection to an off-board
7 electrical source;

8 "(e) Meets the super ultra-low emission vehicle standards for ex-9 haust emissions, as defined by the State Department of Energy by 10 rule;

11 "(f) Has a 15-year and 150,000-mile warranty on emission control 12 components;

13 "(g) Has zero evaporative emissions from its fuel system; and

14 "(h) Is capable of attaining a speed of 55 miles per hour or more.

15 **"(5) 'Qualifying vehicle' means a vehicle that:** 

16 "(a) Is of a type defined in this section as a:

17 "(A) Light-duty zero-emission vehicle;

18 "(B) Neighborhood electric vehicle;

19 "(C) Plug-in hybrid electric vehicle; or

20 "(D) Zero-emission motorcycle;

"(b) Is new, or has been previously used only as a dealership floor
 model or test-drive vehicle;

23 "(c) Has not previously been registered;

"(d) Is constructed entirely from new parts that have never been
the subject of a retail sale;

"(e) Is covered by a manufacturer's express warranty on the vehicle
 drive train, including the applicable energy storage system or battery
 pack, for at least 24 months from the date of purchase; and

"(f) Is certified by the manufacturer to comply with all applicable
 federal safety standards issued by the National Highway Traffic Safety

1 Administration for new motor vehicles and new motor vehicle equip-2 ment.

"(6) 'Vehicle dealer' means a person issued a vehicle dealer certificate under ORS 822.020 or renewed under ORS 822.040.

5 "(7) 'Zero-emission motorcycle' means a vehicle that a capable of 6 attaining a speed of 55 miles per hour or more and:

7 "(a) Is a fully-enclosed zero-emission vehicle designed to travel on
8 three wheels; or

9 "(b) Is a motorcycle designed to travel on two wheels and is pow10 ered by electricity.

"SECTION 6. (1) The State Department of Energy shall establish an alternative fuel or zero-emission vehicle rebate program to provide rebates to persons that purchase and register qualifying vehicles in this state.

"(2) The purchaser or lessee of a qualifying vehicle registered in this
 state may apply for a rebate for a portion of the purchase price or
 may choose to assign this rebate to a vehicle dealer or lessor.

"(3) Rebates under this section shall be made from moneys credited
to or deposited in the Zero-Emission Incentive Fund established under
section 7 of this 2015 Act. A rebate may not be made if sufficient funds
are not available in the fund to make the rebate.

"(4) The department by rule shall prescribe the rebate application
procedure for purchasers. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

"(5) Subject to section 8 of this 2015 Act, rebates for the following
 qualifying vehicles under this section shall be as follows:

- 27 "(a) For light-duty zero-emission vehicles, \$3,000.
- <sup>28</sup> "(b) For neighborhood electric vehicles, \$750.
- <sup>29</sup> "(c) For plug-in hybrid vehicles, \$1,500.
- 30 "(d) For zero-emission motorcycles, \$750.

HB 2092-2 3/26/15 Proposed Amendments to HB 2092 1 "(6) To be eligible for a rebate, a person requesting a rebate under 2 this section shall:

"(a) Purchase or lease a new qualifying vehicle. Any lease must
have a minimum term of 24 months.

"(b) Register the qualifying vehicle in Oregon.

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6 "(c) Submit an application for a rebate within six months of the 7 date of purchase or six months from the date the lease begins.

"(d) Retain registration of the qualifying vehicle in Oregon for a
minimum of 24 consecutive months following the date of purchase or
following the date the lease begins.

"(7) A person that receives a rebate under this section may not
 make or allow any modifications to the vehicle's emissions control
 systems, hardware, software calibrations or hybrid system.

"(8) If a rebate recipient intends to sell the vehicle, or otherwise terminate the vehicle lease before the end of 24 months, the rebate recipient shall notify the department of the recipient's intent to sell the vehicle or terminate a lease and reimburse the department for the entire rebate amount.

"(9) The department may request participation from rebate recipi ents in ongoing research efforts.

"(10) The department shall work to ensure timely payment of re bates with a goal of paying rebates within 60 days of receiving an ap plication for a rebate.

"(11) The department may adopt any rules necessary to carry out
 the provisions of this section.

<u>"SECTION 7.</u> (1) The Zero-Emission Incentive Fund is established
 in the State Treasury, separate and distinct from the General Fund.
 Interest earned by the Zero-Emission Incentive Fund shall be credited
 to the fund.

30 "(2) Moneys in the Zero-Emission Incentive Fund shall consist of:

1 "(a) Amounts donated to the fund;

"(b) Amounts appropriated or otherwise transferred to the fund by
the Legislative Assembly;

4 "(c) Other amounts deposited in the fund from any source; and
5 "(d) Interest earned by the fund.

6 "(3) Moneys in the fund are continuously appropriated to the State 7 Department of Energy. Each biennium after the payment of refunds 8 to taxpayers as described in section 2 of this 2015 Act, out of the 9 moneys deposited in the fund, the remaining funds may be used as 10 follows:

"(a) Up to \$\_\_\_\_\_ per biennium may be expended to pay a third party organization to market and administer the alternative fuel or
 zero-emission vehicle rebate program described in section 6 of this 2015
 Act.

"(b) Up to \$\_\_\_\_\_ per biennium may be expended to pay a third party organization to design and implement the Charge Ahead Oregon
 program described in section 4 of this 2015 Act.

"(c) Up to \$\_\_\_\_\_ per biennium may be expended to pay the State
Department of Energy's costs of administering sections 4 to 7 this 2015
Act.

"(d) To provide rebates to the purchaser or lessee of a qualifying
vehicle under section 6 of this 2015 Act.

"(4) Expenditures from the fund are not subject to ORS 291.232 to
24 291.260.

"<u>SECTION 8.</u> (1) The total amount of potential tax credits for
 Zero-Emission Incentive Fund contributions in this state may not, at
 the time of certification under section 2 of this 2015 Act, exceed
 for any biennium.

"(2) In the event that the Director of the State Department of En ergy receives applications for rebates under section 6 of this 2015 Act

in excess of the contributions received pursuant to section 2 of this
2015 Act, the director shall:

3 "(a) Disburse the funds the director has received;

4 "(b) Decrease the amount of the rebates distributed under section
5 6 of this 2015 Act; and

6 "(c) Allocate the issuance of rebates.

7 "(3) The director shall adopt rules to carry out the provisions of this
8 section.

"SECTION 9. (1) No later than October 30, 2016, the Director of the
State Department of Energy shall provide a report on the Charge
Ahead Oregon program described in section 4 of this 2015 Act to the
Legislative Assembly in the manner provided in ORS 192.945. The report must summarize:

14 "(a) How the funds for the program have been spent.

"(b) What impact the funding had on achieving the goals described
 in section 4 of this 2015 Act.

"(c) Recommendations for legislation necessary to meet the goals
of the program.

"(2) No later than October 30, 2017, the director shall provide a re-19 port to the Legislative Assembly in the manner provided in ORS 20192.945. The report must summarize the uses to date of moneys in the 21Zero-Emission Incentive Fund established under section 7 of this 2015 22Act and project the level of funding that would be required to continue 23to provide rebates described in section 6 of this 2015 Act to all pur-24chasers or lessees of qualifying vehicles through the 2017-2019 25biennium. 26

"<u>SECTION 10.</u> Sections 2 and 6 of this 2015 Act apply to tax years
beginning on or after January 1, 2015, and before January 1, 2022, and
to applications for rebates submitted on or after July 1, 2016.

30 "SECTION 11. (1) Section 9 of this 2015 Act is repealed on January

1 **2, 2017.** 

<sup>2</sup> "(2) Section 4 of this 2015 Act is repealed on January 2, 2022.

"(3) Sections 1 to 3 and 5 to 8 of this 2015 Act are repealed on January 2, 2025.

<u>SECTION 12.</u> This 2015 Act takes effect on the 91st day after the
date on which the 2015 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.".

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