

HB 2613 STAFF MEASURE SUMMARY

Joint Committee On Transportation

Prepared By: Patrick Brennan, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/6, 4/25

WHAT THE MEASURE DOES:

Appropriates \$30 million from the General Fund to the Department of Environmental Quality for deposit in the Zero-Emission Incentive Fund. Declares emergency, effective on passage.

NOTE - this measure has a subsequent referral to the Committee on Ways and Means

FIS: Fiscal statement issued

RIS: "Revenue Lite" impact statement issued

ISSUES DISCUSSED:

- Background on electric vehicle rebate program
- High usage rate of rebate program
- Role of electric vehicles in meeting state greenhouse gas emissions goals
- Equitability of program
- Program to be suspended unless additional moneys are allocated

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Legislative Assembly initiated Oregon's electric vehicle rebate program with the passage of House Bill 2017 (2017). The measure initiated a 0.5 percent tax on the privilege of selling new passenger motor vehicles, intended to generate \$12 million per year to provide rebates for purchase of zero-emission vehicles, with excess revenue accruing to the Connect Oregon Fund for grants to non-highway freight infrastructure projects. The measure created two separate rebate programs, which can both be received by eligible applicants. The standard zero-emission vehicle rebate program provides up to \$2,500 in rebate on the purchase or lease of a new plug-in hybrid vehicle or new battery electric vehicle. The Charge Ahead Rebate program provides rebates up to \$2,500 for purchase or lease of new or used battery electric vehicles, but includes requirements that the purchaser or lessee meet low- or moderate-income household criteria.

Both rebate programs had been scheduled to sunset on January 2, 2024; however, House Bill 2165 repealed the sunset, doubles the maximum rebate from the Charge Ahead Oregon program from \$2,500 to \$5,000, and made hydrogen fuel cell vehicles that cost up to \$60,000 eligible for rebates. The increased maximum amount per vehicle rebate, which is now \$7,500 for applicants that qualify for both rebates, combined with a significant increase in the sale of electric vehicles in Oregon, has resulted in the program being suspended for the remainder of 2022 for lack of money available in the Zero-Emission Incentive Fund to fund the rebates.

House Bill 2613 appropriates \$30 million from the General Fund to the Zero-Emission Incentive Fund to allow the program to continue providing electric vehicle rebates through the two programs.