

SUBCOMMITTEE:

HOUSE BILL NO. 1979

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance

on _____)

(Patron Prior to Substitute--Delegate Reid)

A BILL to amend the Code of Virginia by adding in Title 67 a chapter numbered 18, consisting of sections numbered 67-1800 through 67-1807, relating to electric vehicle rebate program; creation and funding; report.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 67 a chapter numbered 18, consisting of sections numbered 67-1800 through 67-1807, as follows:

CHAPTER 18.

ELECTRIC VEHICLE REBATE PROGRAM.

§ 67-1800. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Advisory Council" means the Electric Vehicle Rebate Advisory Council.

"Dealer" means a motor vehicle dealer licensed pursuant to Chapter 15 (§ 46.2-1500 et seq.) of Title 46.2.

"Department" means the Department of Mines, Minerals and Energy.

"Electric motor vehicle" means a two-axle motor vehicle with a base price of not more than \$55,000 that uses electricity as its only source of motive power. "Electric motor vehicle" includes fuel cell electric vehicles.

"Enhanced rebate" means the additional rebate provided to qualified residents of the Commonwealth.

"EPA" means the federal Environmental Protection Agency.

"Fund" means the Electric Vehicle Rebate Program Fund.

27 "Incentive payments" means the payments provided pursuant to § 67-1804.

28 "Participating dealer" means a dealer who is participating in the Program.

29 "Plug-in hybrid electric motor vehicle" means a two-axle hybrid vehicle with a base price of not
30 more than \$55,000 with a hybrid propulsion system that operates on both traditional fuel and electricity
31 supplied through a rechargeable battery that is charged by an external source of electricity, with a
32 minimum range on an electric charge of at least 25 miles.

33 "Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of
34 Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services
35 under the authority of § 773(2) of the Omnibus Budget Reconciliation Act of 1981.

36 "Program" means the Electric Vehicle Rebate Program established pursuant to this chapter.

37 "Purchase" means the purchase or lease of a new or used electric motor vehicle or plug-in hybrid
38 electric motor vehicle.

39 "Qualified resident of the Commonwealth" means a resident of the Commonwealth whose annual
40 household income does not exceed 300 percent of the current poverty guidelines.

41 "Used electric motor vehicle" means a previously owned or leased electric motor vehicle that is
42 more than two years old and not more than seven years old and for which a rebate has not previously been
43 issued under this chapter.

44 "Used plug-in hybrid electric motor vehicle" means a previously owned or leased plug-in hybrid
45 electric motor vehicle that is more than two years old and not more than seven years old and for which a
46 rebate has not previously been issued under this chapter.

47 **§ 67-1801. Electric Vehicle Rebate Program.**

48 There is hereby established an Electric Vehicle Rebate Program for the purchase of new and used
49 electric motor vehicles and plug-in hybrid electric motor vehicles to provide an incentive to increase
50 electric vehicle awareness and adoption in the Commonwealth. The Program shall be administered by the
51 Department. The Department shall determine the best method to administer the Program, which may
52 include contracting with a third-party administrator. As provided in § 58.1-2420, the Commissioner of the
53 Department of Motor Vehicles may examine all records, books, papers, or other documents of any dealer

54 in motor vehicles to verify the truth and accuracy of any statement or any other information relating to
55 rebates claimed by the dealer.

56 **§ 67-1802. Eligibility for rebate; amount of rebate.**

57 A. 1. Beginning October 1, 2021, a resident of the Commonwealth who purchases a new electric
58 motor vehicle from a participating dealer shall be eligible for a rebate of \$2,500. A qualified resident of
59 the Commonwealth who purchases such vehicle shall also be eligible for an additional \$2,000 enhanced
60 rebate.

61 2. Beginning October 1, 2021, a resident of the Commonwealth who purchases a new plug-in
62 hybrid electric vehicle from a participating dealer shall be eligible for a rebate of no more than \$25 per
63 mile of EPA-rated electric-only range of such vehicle. A qualified resident of the Commonwealth who
64 purchases such vehicle shall also be eligible for an additional \$750 enhanced rebate.

65 B. 1. Beginning October 1, 2021, a resident of the Commonwealth who purchases a used electric
66 motor vehicle from a participating dealer with a value of not more than \$25,000 as determined pursuant
67 to the automobile valuation standards set forth in § 58.1-3503 shall be eligible for a rebate of \$1,250. A
68 qualified resident of the Commonwealth who purchases such vehicle shall also be eligible for an additional
69 \$1,000 enhanced rebate.

70 2. Beginning October 1, 2021, a resident of the Commonwealth who purchases a used plug-in
71 hybrid electric vehicle from a participating dealer with a value of not more than \$25,000 as determined
72 pursuant to the automobile valuation standards set forth in § 58.1-3503 shall be eligible for a rebate of no
73 more than \$15 per mile of EPA-rated electric-only range of such vehicle. A qualified resident of the
74 Commonwealth who purchases such vehicle shall also be eligible for an additional \$500 enhanced rebate.

75 C. Any rebate provided under this chapter shall be deducted from the sales price by the
76 participating dealer at the time of the purchase. The participating dealer shall be reimbursed by the
77 Department from the Fund for each eligible rebate.

78 D. Rebates available pursuant to this chapter are subject to availability of funds in the Fund.

79 E. The amount of the rebates provided under this chapter may be increased annually by the
80 Department in an amount not to exceed the recommendation of the Advisory Council pursuant to
81 subsection A of § 67-1805.

82 **§ 67-1803. Program website.**

83 The Department shall establish a website for the administration of the Program. The website shall
84 include general information for the public, including details about the Program and performance metrics
85 regarding the Program. The website shall also provide (i) real-time data regarding the availability of funds
86 in the Fund at the time of the purchase and (ii) instructions for the dealer as to how to process a
87 reimbursement for the rebate provided pursuant to this chapter.

88 **§ 67-1804. Incentive payment.**

89 In addition to reimbursing a dealer for the rebate provided to a purchaser pursuant to this chapter,
90 the Department shall also provide a dealer with a \$50 incentive payment for each eligible rebate processed
91 by the dealer.

92 **§ 67-1805. Electric Rebate Advisory Council.**

93 A. The Electric Rebate Advisory Council is established to monitor the implementation and
94 operation of the Program and to make recommendations to the Department regarding suggested changes
95 to the Program, including regular assessment to determine the effect of the rebate on increasing electric
96 vehicle sales, whether the Fund allocations pursuant to subsection B of § 67-1806 should be adjusted, and
97 whether an income cap should be established to determine the eligibility of purchasers for a rebate
98 pursuant to this chapter. The Advisory Council shall consider the goal of increasing electric vehicle
99 awareness and adoption in developing and making its recommendations. The Advisory Council shall
100 annually evaluate and recommend an increase or decrease in the amount of the rebates provided under
101 this chapter to reflect the rate of inflation, as defined by the Federal Bureau of Labor Statistics, and the
102 relative price of electric motor vehicles and plug-in hybrid electric motor vehicles compared with the price
103 of traditional motor vehicles.

104 B. The Advisory Council shall consist of three legislative members and 13 nonlegislative members
105 as follows: (i) two members of the House of Delegates, to be appointed by the Speaker of the House of

106 Delegates; (ii) one member of the Senate, to be appointed by the Senate Committee on Rules; (iii) three
107 nonlegislative citizen members to be appointed by the Secretary of Transportation, two of whom shall be
108 licensed new motor vehicle dealers and one of whom shall represent a new vehicle dealer association to
109 which a majority of new motor vehicle dealers in the Commonwealth belong; (iv) seven nonlegislative
110 citizen members to be appointed by the Secretary of Natural Resources, two of whom shall represent
111 environmental justice organizations, two of whom shall represent environmental advocacy organizations,
112 one of whom shall represent a vehicle manufacturer association to which a majority of vehicle
113 manufacturers belong, and two of whom shall represent vehicle original equipment manufacturers; (v) the
114 Director of the Department, or his designee, who shall serve ex officio with voting privileges; (vi) the
115 Director of the Department of Environmental Quality, or his designee, who shall serve ex officio with
116 voting privileges; and (vii) the Executive Director of the Motor Vehicle Dealer Board, who shall serve ex
117 officio with voting privileges.

118 After an initial staggering of terms, legislative and nonlegislative members shall be appointed for
119 a term of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the
120 unexpired terms. All members may be reappointed. Vacancies shall be filled in the same manner as the
121 original appointments.

122 C. The Advisory Council shall elect a chairman and vice-chairman annually from among the
123 members. The meetings of the Advisory Council shall be at the call of the chairman, the Director of the
124 Department, or whenever a majority of the members so request.

125 D. Nonlegislative citizen members shall receive compensation and shall be reimbursed for all
126 reasonable and necessary expenses incurred in the performance of their duties, as provided in §§ 2.2-2813
127 and 2.2-2825. Funding for the costs of compensation and expenses of the members shall be provided by
128 the Department.

129 E. The Department shall serve as staff to the Advisory Council.

130 **§ 67-1806. Electric Vehicle Rebate Fund.**

131 A. There is hereby created in the state treasury a special nonreverting fund to be known as the
132 Electric Vehicle Rebate Fund. The Fund shall be established on the books of the Comptroller. All funds

133 appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its
134 behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund
135 shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest
136 thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.
137 Moneys in the Fund shall be used solely for the purposes of set forth in this chapter, including expenses
138 related to the administration of the Program by the Department. Expenditures and disbursements from the
139 Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request
140 signed by the Director of the Department.

141 B. Of the amount of funds available for the provision of rebates and incentive payments pursuant
142 to this chapter, 75 percent of the funds shall be allocated for the payment of rebates and incentive payments
143 other than enhanced rebates, and 25 percent of the funds shall be allocated for the payment of enhanced
144 rebates. At the end of each fiscal year, any remaining funds allocated for the payment of enhanced rebates
145 shall be reallocated for the payment of rebates and incentive payments. Beginning July 1, 2024, any
146 remaining amount shall revert to providing charging infrastructure as approved by the General Assembly.

147 **§ 67-1807. Report.**

148 The Director of the Department shall report annually on or before December 1 to the Governor
149 and the General Assembly regarding the implementation and administration of the Program and any
150 recommendations of the Department or the Advisory Council. Each report shall include an assessment of
151 the enhanced rebate, a recommendation on whether the Fund allocations set forth in subsection B of § 67-
152 1806 should be adjusted, and a recommendation on whether an income cap should be established to
153 determine the eligibility of purchasers for a rebate pursuant to this chapter.

154 **2. That the initial terms of the Electric Vehicle Rebate Advisory Council shall be staggered as**
155 **follows: (i) of the members of the House of Delegates appointed by the Speaker, one shall be**
156 **appointed for a term of two years and one shall be appointed for a term of four years; (ii) the**
157 **member of the Senate appointed by the Senate Committee on Rules shall be appointed for a term**
158 **of four years; (iii) of the nonlegislative citizen members appointed by the Secretary of**
159 **Transportation, one shall be appointed for a term of two years, one shall be appointed for a term of**

160 three years, and one shall be appointed for a term of four years and (iv) of the nonlegislative citizen
161 members appointed by the Secretary of Natural Resources, one shall be appointed for a term of one
162 year, two shall be appointed for a term of two years, two shall be appointed for a term of three
163 years, and two shall be appointed for a term of four years.

164 3. That the Department of Mines, Minerals and Energy, in consultation with the Electric Vehicle
165 Rebate Advisory Council, as created by this act, shall develop and implement a process for verifying
166 eligible purchasers and shall ensure that such process (i) is capable of being administered at the
167 point of sale or lease of a vehicle, (ii) allows for the immediate determination of purchaser eligibility
168 and the total amount of the rebate to which the purchaser is entitled, and (iii) confirms the rebate
169 to the participating dealer.

170 4. That the provisions of this act shall expire on October 1, 2026.

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