HB 2092-3 (LC 1694) 3/30/15 (HE/ps)

PROPOSED AMENDMENTS TO HOUSE BILL 2092

1 On page 1 of the printed bill, line 8, delete "6" and insert "7".

2 In line 19, delete "shall" and insert "may".

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, 'battery-operated vehicle' 7 means a vehicle 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) Polymer electrolyte membrane fuel cells or proton exchange
 membrane fuel cells that use hydrogen fuel and oxygen from the air
 to produce electricity.

"(c) Predominantly by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity but may use a backup auxiliary power unit that does not operate until the energy storage device is almost depleted.

"(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.

22 "(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 battery-operated
 vehicles across Oregon;

4 "(b) Increasing the use of electric vehicles and battery-operated
5 vehicles in rural communities;

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

9 "(d) Making electric vehicles and battery-operated vehicles more
 10 affordable to all Oregonians; and

"(e) Increasing electric vehicle and battery-operated 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 oth erwise have access to electric vehicles or battery-operated 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:

18 "(a) Has a gross vehicle weight rating of 8,500 pounds or less;

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

21 "(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) Polymer electrolyte membrane fuel cells or proton exchange
 membrane fuel cells that use hydrogen fuel and oxygen from the air
 to produce electricity.

"(C) Predominantly through the use of a zero-emission energy
 storage device that provides enough power for the vehicle to travel 75
 miles or more using only electricity but may use a backup alternative

power unit that does not operate until the energy storage device is
 fully depleted.

"(2) 'Neighborhood electric vehicle' means a low-speed vehicle that:
"(a) Is powered using an electric battery;

5 "(b) Has a gross vehicle weight not exceeding 3,000 pounds; and

6 "(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.

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

11 "(a) Has zero evaporative emissions from its fuel system;

"(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;

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

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

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

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

²⁴ "(g) Is capable of attaining a speed of 55 miles per hour or more.

25 "(5) 'Qualifying vehicle' means a vehicle that:

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

- 27 "(A) Light-duty zero-emission vehicle;
- 28 "(B) Neighborhood electric vehicle;
- 29 "(C) Plug-in hybrid electric vehicle; or
- 30 "(D) Zero-emission motorcycle;

HB 2092-3 3/30/15 Proposed Amendments to HB 2092 "(b) Is new, or has been previously used only as a dealership floor
model or test-drive vehicle;

3 "(c) Has not previously been registered;

4 "(d) Is constructed entirely from new parts that have never been
5 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
Administration for new motor vehicles and new motor vehicle equipment.

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

"(7) 'Zero-emission motorcycle' means a vehicle that has zero
 evaporative emissions from its fuel system, is capable of attaining a
 speed of 55 miles per hour or more and:

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

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

22 "<u>SECTION 6.</u> (1) The State Department of Energy shall establish 23 an alternative fuel or zero-emission vehicle rebate program to provide 24 rebates to persons that purchase and register qualifying vehicles in 25 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.

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

8 "(a) For light-duty zero-emission vehicles, \$3,000.

9 "(b) For neighborhood electric vehicles, \$750.

10 "(c) For plug-in hybrid electric vehicles, \$1,500.

11 "(d) For zero-emission motorcycles, \$750.

"(6) To be eligible for a rebate, a person requesting a rebate under
 this section shall:

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

16 "(b) Register the qualifying vehicle in Oregon.

"(c) Submit an application for a rebate within six months of the
 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.

25 "(8) If a rebate recipient intends to sell the vehicle, or otherwise 26 terminate the vehicle lease before the end of 24 months, the rebate 27 recipient shall notify the department of the recipient's intent to sell 28 the vehicle or terminate a lease and reimburse the department for the 29 entire rebate amount.

30 "(9) The department may request participation from rebate recipi-

1 ents in ongoing research efforts.

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

5 "(11) The department may adopt any rules necessary to carry out 6 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.

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

12 "(a) Amounts donated to the fund;

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

15 "(c) Other amounts deposited in the fund from any source; and

16 "(d) Interest earned by the fund.

17 "(3) Moneys in the fund are continuously appropriated to the State 18 Department of Energy. Each biennium after the payment of refunds 19 to taxpayers as described in section 2 of this 2015 Act, out of the 20 moneys deposited in the fund, the remaining funds may be used as 21 follows:

"(a) Up to \$_____ per biennium may be expended to pay a thirdparty 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

1 **Act.**

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

4 "(4) Expenditures from the fund are not subject to ORS 291.232 to
5 291.260.

6 "<u>SECTION 8.</u> (1) The total amount of potential tax credits for 7 Zero-Emission Incentive Fund contributions in this state may not, at 8 the time of certification under section 2 of this 2015 Act, exceed 9 \$_____ for any biennium.

"(2) In the event that the Director of the State Department of Energy 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:

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

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

17 "(c) Allocate the issuance of rebates.

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

20 "<u>SECTION 9.</u> (1) No later than October 30, 2016, the Director of the 21 State Department of Energy shall provide a report on the Charge 22 Ahead Oregon program described in section 4 of this 2015 Act to the 23 Legislative Assembly in the manner provided in ORS 192.945. The re-24 port must summarize:

²⁵ "(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.

³⁰ "(2) No later than October 30, 2017, the director shall provide a re-

port to the Legislative Assembly in the manner provided in ORS 192.945. The report must summarize the uses to date of moneys in the Zero-Emission Incentive Fund established under section 7 of this 2015 Act and project the level of funding that would be required to continue to provide rebates described in section 6 of this 2015 Act to all purchasers or lessees of qualifying vehicles through the 2017-2019 biennium.

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

"SECTION 11. (1) Section 9 of this 2015 Act is repealed on January
2, 2017.

13 "(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.

"SECTION 12. This 2015 Act takes effect on the 91st day after the
 date on which the 2015 regular session of the Seventy-eighth Legisla tive Assembly adjourns sine die.".

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