

HB 2613 STAFF MEASURE SUMMARY

Joint Committee On Transportation

Action Date: 04/25/23

Action: Do pass and be referred to Ways and Means by prior reference

House Vote

Yeas: 5 - Evans, Mannix, McLain, Nathanson, Pham K

Nays: 2 - Boshart Davis, Helfrich

Senate Vote

Yeas: 4 - Boquist, Frederick, President Wagner, Woods

Nays: 1 - Findley

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Patrick Brennan, LPRO Analyst

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.

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 nonhighway freight infrastructure projects. The measure created two separate rebate programs, which are both available to eligible applicants. The standard zero-emission vehicle rebate program provides rebates up to \$2,500 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 \$5,000 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Both rebate programs had been scheduled to sunset on January 2, 2024; however, House Bill 2165 (2021) repealed the sunset, doubled the maximum rebate from the Charge Ahead Oregon program from \$2,500 to \$5,000, and made hydrogen fuel cell vehicles that cost up to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, 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.