

House Bill 3716

Sponsored by Representative ANDERSEN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes some changes to programs that give rebates for vehicles with no emissions. (Flesch Readability Score: 67.5).

Modifies the provisions of the zero-emission and electric vehicle rebate programs. Removes persons other than individuals from the eligibility requirements. Limits the availability of rebates to one per household every four years. Increases the allocation of funds to the charge ahead rebate program.

A BILL FOR AN ACT

1
2 Relating to electric vehicle rebates; amending ORS 468.442, 468.444, 468.446 and 468.449.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 468.442 is amended to read:

5 468.442. As used in ORS 468.442 to 468.449:

6 (1) "Light-duty zero-emission vehicle" means a motor vehicle that:

7 (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; and

9 (c) Is powered:

10 (A) Primarily by an electric battery and may or may not use a flywheel energy storage device
11 or a capacitor that also stores energy to assist in vehicle operation.

12 (B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use
13 hydrogen fuel and oxygen from the air to produce electricity.

14 (C) Primarily by a zero-emission energy storage device that provides enough power for the ve-
15 hicle to travel 75 miles or more using only electricity and may or may not use a backup alternative
16 power unit that does not operate until the energy storage device is fully depleted.

17 (2) "Motor vehicle" has the meaning given that term in ORS 801.360.

18 (3) "Neighborhood electric vehicle" means a low-speed vehicle that:

19 (a) Is powered using an electric battery;

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

21 (c) Has at least four wheels.

22 (4) "Person" means a person as defined in ORS 174.100 [*or a public body as defined in ORS*
23 *174.109*].

24 (5) "Plug-in hybrid electric vehicle" means a hybrid electric motor vehicle that:

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

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

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (c) Is equipped with an onboard charger;
- 2 (d) Is rechargeable from an external connection to an off-board electrical source;
- 3 (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as defined by the
4 Environmental Quality Commission by rule;
- 5 (f) Has a warranty of at least 15 years and 150,000 miles on emission control components; and
- 6 (g) Is capable of attaining a speed of 55 miles per hour or more.
- 7 (6) “Qualifying vehicle” means a motor vehicle that:
- 8 (a) Is a:
- 9 (A) Light-duty zero-emission vehicle;
- 10 (B) Neighborhood electric vehicle;
- 11 (C) Plug-in hybrid electric vehicle; or
- 12 (D) Zero-emission motorcycle;
- 13 (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;
- 14 (c) Has not previously been registered;
- 15 (d) Is constructed entirely from new parts that have never been the subject of a retail sale;
- 16 (e) Has a base manufacturer’s suggested retail price of less than:
- 17 (A) \$50,000; or
- 18 (B) If the motor vehicle is powered as described in subsection (1)(c)(B) of this section, \$60,000;
- 19 (f) Is covered by a manufacturer’s express warranty on the vehicle drive train, including the
20 applicable energy storage system or battery pack, for at least 24 months from the date of purchase;
21 and
- 22 (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued
23 by the National Highway Traffic Safety Administration for new motor vehicles and new motor ve-
24 hicle equipment.
- 25 (7)(a) “Vehicle dealer” means:
- 26 (A) A person engaged in business in this state that has been issued a vehicle dealer certificate
27 under ORS 822.020; and
- 28 (B) A person engaged in business in another state that would be subject to ORS 822.005 if the
29 person engaged in business in this state.
- 30 (b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for pur-
31 poses of ORS 468.442 to 468.449 to the extent the person:
- 32 (A) Conducts an event that lasts less than seven consecutive days, for which the public is
33 charged admission and at which otherwise qualifying vehicles are sold at auction; or
- 34 (B) Sells an otherwise qualifying vehicle at auction at an event described in this paragraph.
- 35 (8) “Zero-emission motorcycle” means a motorcycle that:
- 36 (a) Has zero evaporative emissions from its fuel system;
- 37 (b) Is capable of attaining a speed of 55 miles per hour or more;
- 38 (c) Is designed to travel on two wheels; and
- 39 (d) Is powered by electricity.
- 40 **SECTION 2.** ORS 468.444 is amended to read:
- 41 468.444. (1) The Department of Environmental Quality shall establish a program for providing
42 rebates to *[persons]* **individuals** that purchase or lease qualifying vehicles for use in this state. The
43 Director of the Department of Environmental Quality may hire or contract with a third-party or-
44 ganization to implement and serve as the administrator of the program required by this section.
- 45 (2) The department may:

- 1 (a) Specify design features for the program; and
 2 (b) Establish procedures to:
 3 (A) Prioritize available moneys for specific qualifying vehicles; and
 4 (B) Limit the number of rebates available for each type of qualifying vehicle.
 5 (3) The purchaser or lessee of a qualifying vehicle may apply for a rebate for a portion of the
 6 purchase price or may choose to assign the rebate to a vehicle dealer or lessor.
 7 (4) Rebates under the program shall be made from moneys credited to or deposited in the Zero-
 8 Emission Incentive Fund established under ORS 468.449. A rebate may not be made until there are
 9 sufficient moneys available in the fund to make the rebate.
 10 (5) The department shall prescribe the rebate application procedure for purchasers and lessees.
 11 All rebate applications must include a declaration under penalty of perjury in the form required by
 12 ORCP 1 E.
 13 (6) Rebates for qualifying vehicles shall be set annually by the department as follows:
 14 (a) For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an
 15 electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but no less than
 16 \$1,500.
 17 (b) For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an
 18 electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but no less than
 19 \$750.
 20 (c) For neighborhood electric vehicles, up to \$750 but not less than \$375.
 21 (d) For zero-emission motorcycles, up to \$750 but not less than \$375.
 22 (7) To be eligible for a rebate, [*a person*] **an individual** requesting a rebate under the program
 23 shall:
 24 (a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 24 months.
 25 (b) Provide proof of an intent to use the qualifying vehicle primarily on the public highways of
 26 this state, which may be satisfied by providing proof of registration of the qualifying vehicle in
 27 Oregon.
 28 (c) Submit an application for a rebate to the administrator of the program within six months
 29 after the date of purchase of the qualifying vehicle or six months after the date the lease of the
 30 qualifying vehicle begins.
 31 (d) Retain registration of the qualifying vehicle for a minimum of 24 consecutive months after
 32 the date of purchase or the date the lease begins.
 33 **(8) An individual is not eligible to receive a rebate if the individual or a member of the**
 34 **individual's household has received a rebate described in this section or a charge ahead re-**
 35 **bate, as defined in ORS 468.446, within the past four years.**
 36 [(8)] (9) A rebate recipient may not make or allow any modifications to the qualifying vehicle's
 37 emissions control systems, hardware, software calibrations or hybrid system.
 38 [(9)(a)] (10)(a) If a rebate recipient sells the qualifying vehicle or terminates the qualifying ve-
 39 hicle lease before the end of 24 months, the rebate recipient shall:
 40 (A) Notify the administrator of the program of the sale or termination; and
 41 (B) Reimburse the administrator for the rebate in a prorated amount based on the number of
 42 months that the rebate recipient owned or leased the qualifying vehicle.
 43 (b) The administrator may waive the reimbursement requirement under paragraph (a) of this
 44 subsection if the administrator determines that a waiver is appropriate given unforeseeable or una-
 45 voidable circumstances that gave rise to a need for the rebate recipient to sell the qualifying vehicle

1 or terminate the qualifying vehicle lease before the end of 24 months.

2 [(10)] (11) Rebate recipients may be requested to participate in ongoing research efforts.

3 [(11)] (12) The administrator of the program shall work to ensure timely payment of rebates with
4 a goal of paying rebates within 60 days after receiving an application for a rebate.

5 [(12)] (13) A vehicle dealer may advertise the program on the premises owned or operated by
6 the vehicle dealer. If no moneys are available from the program or the program otherwise changes,
7 a vehicle dealer who advertises the program may not be held liable for advertising false or mis-
8 leading information.

9 [(13)] (14) The Environmental Quality Commission may adopt any rules necessary to carry out
10 the provisions of this section.

11 **SECTION 3.** ORS 468.446, as amended by section 9, chapter 82, Oregon Laws 2024, is amended
12 to read:

13 468.446. (1) As used in this section:

14 (a) “Charge ahead rebate” means a rebate for the purchase or lease of a new or used light-duty
15 zero-emission vehicle or plug-in hybrid electric vehicle issued through the Charge Ahead Oregon
16 Program established under this section.

17 [(b) “Low-income service provider” means an organization that provides health, dental, social, fi-
18 nancial, energy conservation or other assistive services to low or moderate income individuals or low
19 or moderate income households, as further defined by the Environmental Quality Commission by
20 rule.]

21 [(c)] (b) “Qualifying household” means a household with income that does not exceed 400 per-
22 cent of federal poverty guidelines.

23 (2) The Department of Environmental Quality shall establish a Charge Ahead Oregon Program
24 for providing charge ahead rebates to qualifying households [*and low-income service providers*]. The
25 Director of the Department of Environmental Quality may hire or contract with a third-party or-
26 ganization to implement and serve as the administrator of the program required by this section.

27 (3) The department may:

28 (a) Specify design features for the program; and

29 (b) Establish procedures to:

30 (A) Prioritize available moneys to specific income levels or geographic areas; and

31 (B) Limit the number of charge ahead rebates available.

32 (4) An eligible purchaser or lessee of a new or used light-duty zero-emission vehicle or plug-in
33 hybrid electric vehicle may apply for a charge ahead rebate for a portion of the purchase price or
34 may choose to assign the charge ahead rebate to a vehicle dealer or lessor.

35 (5) Rebates under the Charge Ahead Oregon Program shall be made from moneys credited to
36 or deposited in the Zero-Emission Incentive Fund established under ORS 468.449 or the Charge
37 Ahead Zero-Emission Incentive Fund established under section 13, chapter 82, Oregon Laws 2024.
38 A rebate may not be made unless there are sufficient moneys available to make the rebate.

39 (6) The department shall prescribe the rebate application procedure for eligible purchasers and
40 lessees. All rebate applications must include a declaration under penalty of perjury in the form re-
41 quired by ORCP 1 E.

42 (7) Charge ahead rebates shall be:

43 (a) Up to \$7,500 for the purchase or lease of a new light-duty zero-emission vehicle or plug-in
44 hybrid electric vehicle, but not less than \$2,500; or

45 (b) Up to \$5,000 for the purchase or lease of a used light-duty zero-emission vehicle or plug-in

1 hybrid electric vehicle, but not less than \$2,500.

2 (8) To be eligible for a charge ahead rebate, [*a person*] **an individual** requesting a rebate under
3 the program must:

4 (a) Be a member of a qualifying household [*or be a low-income service provider*].

5 (b) Purchase or lease a new or used light-duty zero-emission vehicle or plug-in hybrid electric
6 vehicle. A lease must have a minimum term of 24 months.

7 (c) Provide proof of an intent to use the light-duty zero-emission vehicle or plug-in hybrid elec-
8 tric vehicle primarily on the public highways of this state, which may be satisfied by providing proof
9 of registration of the vehicle in Oregon.

10 (d) Submit an application for a charge ahead rebate to the administrator of the program within
11 six months of the date of purchase or six months from the date the lease begins.

12 (e) Retain registration of the light-duty zero-emission vehicle for a minimum of 24 consecutive
13 months following the date of purchase or following the date the lease begins.

14 (9) [*A person*] **An individual** that receives a charge ahead rebate may not make or allow any
15 modifications to the vehicle's emissions control systems, hardware, software calibrations or hybrid
16 system.

17 (10)(a) If a charge ahead rebate recipient sells the vehicle or terminates the vehicle lease before
18 the end of 24 months, the charge ahead rebate recipient shall:

19 (A) Notify the administrator of the program of the sale or termination; and

20 (B) Reimburse the administrator for the rebate in a prorated amount based on the number of
21 months that the rebate recipient owned or leased the qualifying vehicle.

22 (b) The administrator may waive the reimbursement requirement under paragraph (a) of this
23 subsection if the administrator determines that a waiver is appropriate given unforeseeable or una-
24 voidable circumstances that gave rise to a need for the rebate recipient to sell the qualifying vehicle
25 or terminate the qualifying vehicle lease before the end of 24 months.

26 (11) Charge ahead rebate recipients may be requested to participate in ongoing research efforts.

27 (12) The administrator of the program shall work to ensure timely payment of charge ahead re-
28 bates with a goal of paying rebates within 60 days of receiving an application for a charge ahead
29 rebate.

30 (13) In establishing the Charge Ahead Oregon Program, the department shall provide opportu-
31 nities for public comment by qualifying households[, *low-income service providers*] and [*other*]
32 community-based organizations that are located in areas of this state that have elevated concen-
33 trations of air contaminants attributable to motor vehicle emissions, relative to other areas of the
34 state. The department shall use the comments received pursuant to this subsection to inform, eval-
35 uate and strengthen the design of the program in order to increase the usage of light-duty zero-
36 emission vehicles and plug-in hybrid electric vehicles.

37 (14) The administrator of the program shall, throughout the course of implementing the program,
38 conduct community outreach to qualifying households[, *low-income service providers*] and [*other*]
39 community-based organizations that are located in areas of this state that have elevated concen-
40 trations of air contaminants attributable to motor vehicle emissions, relative to other areas of the
41 state, in order to:

42 (a) Solicit feedback on program implementation; and

43 (b) Take steps to ensure that the program is promoted effectively.

44 (15) A vehicle dealer may advertise the Charge Ahead Oregon Program on the premises owned
45 or operated by the vehicle dealer. If no moneys are available from the program or the program

1 otherwise changes, a vehicle dealer who advertises the program may not be held liable for adver-
 2 tising false or misleading information.

3 (16)(a) A charge ahead rebate may not be combined with a rebate described in ORS 468.444.

4 **(b) An individual is not eligible to receive a charge ahead rebate if the individual or a**
 5 **member of the individual’s household has received a charge ahead rebate or a rebate de-**
 6 **scribed in ORS 468.444 within the past four years.**

7 (17) An organization that the department has hired or contracted with to implement and serve
 8 as the administrator of the program may offer expanded financing mechanisms for program partic-
 9 ipants, including, but not limited to, a loan or loan-loss reserve credit enhancement program to in-
 10 crease consumer access to new or used light-duty zero-emission vehicles and plug-in hybrid electric
 11 vehicles.

12 (18) The Environmental Quality Commission may adopt any rules necessary to carry out the
 13 provisions of this section.

14 **SECTION 4.** ORS 468.449, as amended by section 11, chapter 82, Oregon Laws 2024, is amended
 15 to read:

16 468.449. (1) The Zero-Emission Incentive Fund is established in the State Treasury, separate and
 17 distinct from the General Fund. Interest earned by the Zero-Emission Incentive Fund shall be cred-
 18 ited to the fund.

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

- 20 (a) Amounts donated to the fund;
- 21 (b) Amounts transferred to the fund by the Department of Revenue under ORS 320.435;
- 22 (c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;
- 23 (d) Other amounts deposited in the fund from any public or private source; and
- 24 (e) Interest earned by the fund.

25 (3) The Department of Environmental Quality shall encourage gifts, grants, donations or other
 26 contributions to the fund.

27 (4) Moneys in the fund are continuously appropriated to the department to be used to carry out
 28 the provisions of ORS 468.442 to 468.449.

29 (5)(a) No more than 10 percent of the moneys deposited in the fund per biennium may be ex-
 30 pended to pay administrative expenses incurred in the administration of ORS 468.442 to 468.449 by:

- 31 (A) The department; and
- 32 (B) Any third-party organization that the department hires or contracts with under ORS 468.444
 33 and 468.446.

34 (b) As used in this subsection, “administrative expenses” does not include expenses incurred by
 35 the department or third-party organizations in:

- 36 (A) Conducting community outreach under ORS 468.446 (14); or
- 37 (B) Otherwise engaging in efforts to promote transportation electrification through participation
 38 in the programs established under ORS 468.444 and 468.446.

39 (6)(a) The Environmental Quality Commission may adopt by rule provisions for the allocation
 40 of moneys deposited in the fund between the programs established under ORS 468.444 and 468.446.

41 (b) Rules adopted under this subsection must require that at least [20] **60** percent of the moneys
 42 deposited in the fund per biennium are allocated to fund the provision of rebates through the Charge
 43 Ahead Oregon Program established under ORS 468.446.

44 (c) The amount required to be allocated under paragraph (b) of this subsection in any biennium
 45 shall be reduced, but not below zero, by the amount deposited from any other source in the Charge

1 Ahead Zero-Emission Incentive Fund established under section 13, chapter 82, Oregon Laws 2024.

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