

This document has been prepared as part of the implementation project of Legal Pathways to Deep Decarbonization (Michael B. Gerrard and John C. Dernbach, eds. Environmental Law Institute [2019]) (LPDD). For background information on the project, see <https://lpdd.org>

MODEL STATE STATUTE PROVIDING REBATES FOR ELECTRIC VEHICLES

1. PURPOSE AND INTENT.

- 1.1 To encourage the use of eligible electric vehicles by providing incentives for the purchase or lease of such vehicles.

2. DEFINITIONS.

In this chapter:

- 2.1 The term "eligible electric vehicle" means a vehicle that (1) is a plug-in electric vehicle or a plug-in hybrid vehicle; (2) is a light duty vehicle; (3) is not pre-owned; (4) has an MSRP of less than \$33,000; (5) is purchased or leased after the date that this bill takes effect; (6) is registered in this State; and (7) if such vehicle is a plug-in electric vehicle, has an electric range of at least 120 miles, and if such vehicle is a plug-in hybrid vehicle, has an electric range of at least 25 miles.
- 2.2 The term "light duty vehicle" means any two-axle, four-wheel vehicle, designed primarily for passenger travel or light duty commercial use, and approved for travel on public roads. The term "light duty vehicle" includes, but is not limited to, any vehicle commonly referred to as a car, minivan, sport utility vehicle, cross-over, or pick-up truck.
- 2.3 The term "MSRP" means the published manufacturer's suggested retail price, as set by a vehicle's manufacturer, at the time of sale or lease.
- 2.4 The term "plug-in electric vehicle" means a vehicle that has a battery or equivalent energy storage device that can be charged from an electricity supply external to the vehicle with an electric plug.
- 2.5 The term "plug-in hybrid vehicle" means a vehicle that can be charged from a source of electricity external to the vehicle through an electric plug, but is not exclusively powered by electricity.
- 2.6 The term "Program" means the light duty electric vehicle incentive program established under this Chapter.
- 2.6 The term "seller or lessor of an eligible electric vehicle" means an entity that is licensed to sell or lease an eligible electric vehicle to a consumer or fleet owner in the State.

3. LIGHT DUTY ELECTRIC VEHICLE INCENTIVE PROGRAM.

- 3.1 Not later than 180 days after the date that this bill takes effect, the [Insert name of Public Utilities Commission or other appropriate State agency] shall establish and implement a light duty electric vehicle incentive program for the purpose of encouraging the purchase or lease of eligible electric vehicles in the State.
- 3.2 Under the Program, the [Public Utilities Commission] shall offer to each purchaser or lessee of an eligible electric vehicle an incentive in the form of a one-time payment.
- 3.3 The amount of the incentive offered under the Program shall be: (1) from the date that this bill takes effect until December 31, 2025, an amount not less than \$25 per mile of EPA-rated electric-only range and not greater than \$5,000 per eligible electric vehicle; (2) After December 31, 2025, an amount as determined by the [Public Utilities Commission] after consideration of stakeholder input [under the procedures governing decision making by the Public Utilities Commission] and not greater than \$5,000 per eligible electric vehicle. The [Public Utilities Commission] shall publish the amount of the incentives offered on its Internet website.
- 3.4 The [Public Utilities Commission] may limit the number of incentives available under the Program to an individual, agency, company, corporation, association or other entity.
- 3.5 The [Public Utilities Commission] may establish other requirements and parameters for the Program as it determines necessary and reasonable to further the purpose of the Program.
- 3.6 The [Public Utilities Commission] shall monitor the disbursement of incentives under the Program.
- 3.7 The [Public Utilities Commission] shall annually reassess the design and implementation of the Program. Provided the revision or development is consistent with paragraph 3.3 of this section, the [Public Utilities Commission] may:
 - (a) revise the Program, any aspect of the incentives, or the related implementation procedures or processes; and
 - (b) develop additional incentives consistent with the purpose of the Program.
- 3.8 A seller or lessor of an eligible electric vehicle shall provide the purchaser or lessee the option to have the amount of the incentive available under the Program deducted from the final negotiated and agreed upon sale or lease price of the eligible electric vehicle, in which case the amount of the incentive shall be passed through to the purchaser or lessee in full and payment thereof shall be effective immediately at the time of the final sale or lease and transfer of the eligible electric vehicle to the purchaser or lessee. The [Public Utilities Commission] shall establish a process for reimbursing a seller or lessor of an eligible electric vehicle the cost of an incentive provided by the seller or lessor pursuant to this subsection.
- 3.9 The seller or lessor of an eligible electric vehicle shall offer an incentive under the Program in conjunction with, and in addition to, any other incentive offered by the seller or lessor of an eligible electric vehicle.
- 3.10 The [Public Utilities Commission] shall require each seller or lessor of an eligible electric vehicle to provide to the [Public Utilities Commission], upon the final sale or lease and transfer of an eligible electric vehicle to a purchaser or lessee, the eligible electric

vehicle's make, model, battery size, and any other information as determined by the [Public Utilities Commission].

- 3.11 The [Public Utilities Commission] shall terminate the Program with respect to plug-in hybrid vehicles on the date that is 2 years after the date of the enactment of this bill and with respect to plug-in electric vehicles on the date that is 10 years after the date of the enactment of this bill.

4. ELECTRIC VEHICLE INCENTIVE FUND.

- 4.1 There is established in the [Public Utilities Commission] a special, non-lapsing fund to be known as the Electric Vehicle Incentive Fund. The fund shall be administered by the [Public Utilities Commission] and shall be credited with:
- (a) moneys deposited into the fund by the [Public Utilities Commission] pursuant to paragraph 2.2;
 - (b) moneys that are appropriated by the Legislature; and
 - (c) any return on investment of moneys deposited in the fund.
- 4.2 The State shall deposit into the Electric Vehicle Incentive Fund, each year, six percent of the [Motor Fuels Tax or other gasoline excise tax].
- 4.3 The Public Utilities Commission may deposit into the Electric Vehicle Incentive Fund moneys available from other funding sources and within its authority.
- 4.4 Moneys in the Electric Vehicle Incentive Fund shall be used by the [Public Utilities Commission] solely for the purpose of disbursing the rebates established pursuant to this bill. The [Public Utilities Commission] shall recover any administrative costs incurred in connection with the Program separately from moneys received into the Electric Vehicle Incentive Fund.
- 4.5 The [Public Utilities Commission] shall provide in disbursements under the Program each year for 10 years, an amount equivalent to six percent of the [Motor Fuels Tax or other gasoline excise tax], collected by the [Division of Taxation] in the prior year.
- 4.6 The [Public Utilities Commission] shall develop a website accessible to the public that provides up-to-date information about the availability of the incentives established under the Program.
- 4.7 No later than 180 days after the date that this chapter takes effect, the [Public Utilities Commission] shall develop and implement a public education program to educate consumers about the benefits of eligible electric vehicles and the availability of incentives under the Program.
- 4.8 The [Department] may adopt, pursuant to the [State Administrative Procedure Act], rules and regulations necessary for the implementation of this bill.
- 4.9 This bill shall take effect on the date that is 90 days after the date of the enactment of this bill.

