

Department of Planning and Budget
2021 Special Session 1 Fiscal Impact Statement

1. Bill Number: HB2118

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Keam

3. Committee: Finance and Appropriations

4. Title: Electric Vehicle Grant Fund and Program; creation; report.

5. Summary: Requires the Department of Environmental Quality (DEQ) to establish the Virginia Electric Vehicle Grant Program and Fund to support the awarding of grants on a competitive basis to projects by public school divisions to cover the costs associated with replacing diesel school buses with electric school buses, to implement maintenance infrastructure, and to develop and train workers to support its maintenance; to projects by public, private, or nonprofit entities in Virginia to assist with replacing commercial motor vehicles, heavy equipment, or other machinery owned and operated by the entities that are used in Virginia that rely on diesel fuels with electric vehicles or equivalent equipment that reduce air emissions and to implement recharging infrastructure or other infrastructure needed to charge or maintain such electric vehicles or equivalent equipment. In consultation with the Department of Mines, Minerals and Energy (DMME), the Virginia Department of Transportation (VDOT), the Department of Education (DOE), and other agencies of the Commonwealth, as well as organizations with expertise in the climate and public health, and other interested stakeholders, DEQ is directed to adopt necessary policies and procedures for administering the Fund and Program. DEQ is to submit an annual report to the General Assembly regarding the administration of the fund and program, unless funding was not received. As funding becomes available, DEQ is to convene a work group consisting of representatives from relevant state agencies, as well as from education, energy, environment, health, manufacturing, technology, and transportation sectors, and other interested stakeholders to develop recommendations for establishing and administering the fund and program. Upon completion, the work group shall report its recommendations to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations.

6. Budget Amendment Necessary: See item 8.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: This bill establishes the Virginia Electric Vehicle Grant Fund and the Virginia Electric Vehicle Grant Program. Moneys in the Fund are to be used solely for the purposes of (i) awarding grants on a competitive basis through the Program, or (ii)

implementing and administering the Program. The bill prohibits the allocation of moneys from the Fund unless federal or other nongeneral funds are available to cover the full cost of the allocation. The expenditure of such funds will require an appropriation. Additionally, the bill requires that DEQ, as funds are available, to convene a workgroup to develop recommendations for establishing and administering the Fund and Program and identifying and developing dedicated streams of revenue for the Fund.

No immediate state fiscal impact under Direct Aid to Public Education is anticipated, but any change to local costs for bus-related expenditures may eventually impact the state cost for the school bus formula in the Standards of Quality. Any actual fiscal impact to the state or localities under Direct Aid to Public Education is indeterminate.

It is anticipated that DMME and DOE can absorb any fiscal impact that may result from this bill within existing resources. Information from VDOT is pending.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; Department of Education; Direct Aid to Public Education; Department of Mines, Minerals and Energy; Department of Transportation; state agencies; local school divisions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.