

2021 SPECIAL SESSION I

SENATE SUBSTITUTE

21200328D

HOUSE BILL NO. 1979

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Finance and Appropriations
on February 17, 2021)

(Patron Prior to Substitute—Delegate Reid)

A BILL to amend the Code of Virginia by adding in Title 67 a chapter numbered 18, consisting of sections numbered 67-1800 through 67-1806, relating to electric vehicle rebate program; creation and funding; report.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 67 a chapter numbered 18, consisting of sections numbered 67-1800 through 67-1806, as follows:

CHAPTER 18.

ELECTRIC VEHICLE REBATE PROGRAM.

§ 67-1800. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Advisory Council" means the Electric Vehicle Rebate Program Advisory Council.

"Base price" means the manufacturer's base price for the lowest price trim level of the model and shall not include charges for optional equipment, taxes, title, or registration fees.

"Dealer" means a motor vehicle dealer licensed pursuant to Chapter 15 (§ 46.2-1500 et seq.) of Title 46.2.

"Department" means the Department of Mines, Minerals and Energy.

"Electric motor vehicle" means a two-axle motor vehicle with a base price of not more than \$55,000 that uses electricity as its only source of motive power. "Electric motor vehicle" includes fuel cell electric vehicles.

"EPA" means the federal Environmental Protection Agency.

"Fund" means the Electric Vehicle Rebate Program Fund.

"Participating dealer" means a dealer who is participating in the Program.

"Program" means the Electric Vehicle Rebate Program established pursuant to this chapter.

"Purchase" means the purchase or lease of a new or used electric motor vehicle.

"Qualified resident of the Commonwealth" means a resident of the Commonwealth whose annual household income does not exceed 300 percent of the current poverty guidelines.

"Used electric motor vehicle" means a previously owned or leased electric motor vehicle that is more than two years old and not more than seven years old.

§ 67-1801. Electric Vehicle Rebate Program.

There is hereby established an Electric Vehicle Rebate Program for the purchase of new and used electric motor vehicles to provide an incentive to increase electric vehicle awareness and adoption in the Commonwealth. The Program shall be administered by the Department. The Department shall determine the best method to administer the Program, which may include contracting with a third-party administrator. As provided in § 58.1-2420, the Commissioner of the Department of Motor Vehicles may examine all records, books, papers, or other documents of any dealer in motor vehicles to verify the truth and accuracy of any statement or any other information relating to rebates claimed by the dealer.

§ 67-1802. Eligibility for rebate; amount of rebate.

A. Beginning January 1, 2022, a resident of the Commonwealth who purchases a new electric motor vehicle from a participating dealer shall be eligible for a rebate of \$2,500. A qualified resident of the Commonwealth who purchases such vehicle shall also be eligible for an additional \$2,000 enhanced rebate.

B. Beginning January 1, 2022, a resident of the Commonwealth who purchases a used electric motor vehicle from a participating dealer with a sale price as provided by § 58.1-2401 of not more than \$25,000 shall be eligible for a rebate of \$2,500. A qualified resident of the Commonwealth who purchases such vehicle shall also be eligible for an additional \$500 enhanced rebate.

C. Any rebate provided under this chapter shall be deducted from the sales price by the participating dealer at the time of the purchase. The participating dealer shall be reimbursed by the Department from the Fund for each eligible rebate.

D. Rebates available pursuant to this chapter are subject to availability of funds in the Fund.

E. The amount of the rebates provided under this chapter may be increased or decreased annually by the Department in an amount not to exceed the recommendation of the Advisory Council pursuant to subsection A of § 67-1804.

§ 67-1803. Program website.

The Department shall establish a website for the administration of the Program. The website shall

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60 include general information for the public, including details about the Program and performance metrics
61 regarding the Program. The website shall also provide (i) data updated weekly regarding the
62 availability of funds in the Fund at the time of the purchase and (ii) instructions for the dealer as to
63 how to process a reimbursement for the rebate provided pursuant to this chapter.

64 **§ 67-1804. Electric Vehicle Rebate Program Advisory Council.**

65 A. The Electric Vehicle Rebate Program Advisory Council is established to monitor the
66 implementation and operation of the Program and to make recommendations to the Department
67 regarding suggested changes to the Program, including regular assessment to determine the effect of the
68 rebate on increasing electric vehicle sales, whether the Fund allocations pursuant to subsection B of
69 § 67-1805 should be adjusted, and whether an income cap should be established to determine the
70 eligibility of purchasers for a rebate pursuant to this chapter. The Advisory Council shall consider the
71 goal of increasing electric vehicle awareness and adoption in developing and making its
72 recommendations. The Advisory Council shall annually evaluate and recommend an increase or
73 decrease in the amount of the rebates provided under this chapter to reflect the rate of inflation, as
74 defined by the Federal Bureau of Labor Statistics, and the relative price of electric motor vehicles
75 compared with the price of traditional motor vehicles.

76 B. The Advisory Council shall consist of three legislative members and 13 nonlegislative members as
77 follows: (i) two members of the House of Delegates, to be appointed by the Speaker of the House of
78 Delegates; (ii) one member of the Senate, to be appointed by the Senate Committee on Rules; (iii) three
79 nonlegislative citizen members to be appointed by the Secretary of Transportation, two of whom shall be
80 licensed new motor vehicle dealers and one of whom shall represent a new vehicle dealer association to
81 which a majority of new motor vehicle dealers in the Commonwealth belong; (iv) seven nonlegislative
82 citizen members to be appointed by the Secretary of Natural Resources, two of whom shall represent
83 environmental justice organizations, two of whom shall represent environmental advocacy organizations,
84 one of whom shall represent a vehicle manufacturer association to which a majority of vehicle
85 manufacturers belong, and two of whom shall represent vehicle original equipment manufacturers; (v)
86 the Director of the Department, or his designee, who shall serve ex officio with voting privileges; (vi)
87 the Director of the Department of Environmental Quality, or his designee, who shall serve ex officio
88 with voting privileges; and (vii) the Executive Director of the Motor Vehicle Dealer Board, who shall
89 serve ex officio with voting privileges.

90 After an initial staggering of terms, legislative and nonlegislative members shall be appointed for a
91 term of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the
92 unexpired terms. All members may be reappointed. Vacancies shall be filled in the same manner as the
93 original appointments.

94 C. The Advisory Council shall elect a chairman and vice-chairman annually from among the
95 members. The meetings of the Advisory Council shall be at the call of the chairman, the Director of the
96 Department, or whenever a majority of the members so request.

97 D. Nonlegislative citizen members shall receive compensation and shall be reimbursed for all
98 reasonable and necessary expenses incurred in the performance of their duties, as provided in
99 §§ 2.2-2813 and 2.2-2825. Funding for the costs of compensation and expenses of the members shall be
100 provided by the Department.

101 E. The Department shall serve as staff to the Advisory Council.

102 **§ 67-1805. Electric Vehicle Rebate Program Fund.**

103 A. There is hereby created in the state treasury a special nonreverting fund to be known as the
104 Electric Vehicle Rebate Program Fund. The Fund shall be established on the books of the Comptroller.
105 All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds
106 received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on
107 moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,
108 including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall
109 remain in the Fund. Moneys in the Fund shall be used solely for the purposes set forth in this chapter,
110 including expenses related to the administration of the Program by the Department. Expenditures and
111 disbursements from the Fund shall be made by the State Treasurer on warrants issued by the
112 Comptroller upon written request signed by the Director of the Department.

113 B. All funds shall be allocated for the payment of rebates and enhanced rebates in this chapter.
114 Beginning July 1, 2024, 25 percent of any unused funds remaining in the Fund at the end of the fiscal
115 year shall be reallocated to fund electric vehicle charging infrastructure as approved by the General
116 Assembly.

117 **§ 67-1806. Report.**

118 The Director of the Department shall report annually on or before December 1 to the Governor and
119 the General Assembly regarding the implementation and administration of the Program and any
120 recommendations of the Department or the Advisory Council. Each report shall include an assessment of
121 the rebate and enhanced rebate, a recommendation on whether the Fund allocation set forth in

subsection B of § 67-1805 should be adjusted, and a recommendation on whether an income cap should be established to determine the eligibility of purchasers for a rebate pursuant to this chapter.

2. That the initial terms of the Electric Vehicle Rebate Program Advisory Council shall be staggered as follows: (i) of the members of the House of Delegates appointed by the Speaker, one shall be appointed for a term of two years and one shall be appointed for a term of four years; (ii) the member of the Senate appointed by the Senate Committee on Rules shall be appointed for a term of four years; (iii) of the nonlegislative citizen members appointed by the Secretary of Transportation, one shall be appointed for a term of two years, one shall be appointed for a term of three years, and one shall be appointed for a term of four years; and (iv) of the nonlegislative citizen members appointed by the Secretary of Natural Resources, one shall be appointed for a term of one year, two shall be appointed for a term of two years, two shall be appointed for a term of three years, and two shall be appointed for a term of four years.

3. That the Department of Mines, Minerals and Energy, in consultation with the Electric Vehicle Rebate Program Advisory Council, as created by this act, shall develop and implement a process for verifying eligible purchasers and shall ensure that such process (i) is capable of being administered at the point of sale or lease of a vehicle, (ii) allows for the immediate determination of purchaser eligibility and the total amount of the rebate to which the purchaser is entitled, and (iii) confirms the rebate to the participating dealer.

4. That the provisions of this act shall expire on January 1, 2027.

5. That the provisions of this act shall not become effective unless reenacted by the 2022 Session of the General Assembly.