

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

[Changes since v. 3 highlighted in yellow]

* * * Electric Vehicle Definitions * * *

Sec. 20. 23 V.S.A. § 4(85)–(86) is added to read:

(85) “Electric vehicle” means a pleasure car that is powered by an electric motor drawing current from rechargeable storage batteries or other portable electrical energy storage devices where the recharge energy must be drawn from a source off the vehicle, such as residential electric service.

(86) “Plug-in hybrid electric vehicle” means an electric vehicle that also includes an on-board method of charging, such as an on-board engine and generator.

* * * Electric Vehicle Purchase and Lease Incentive Program * * *

Sec. 20a. LEGISLATIVE FINDINGS

The General Assembly finds that:

(a) In its final report, the Vermont Climate Action Commission recommended building an electric vehicle (EV) point-of-sale customer incentive for new and used EVs.

(b) Transportation energy burdens are particularly high for rural Vermonters with low income. A vigorous incentive for both new and used EVs, combined with the lower fueling and maintenance costs of EVs, could significantly lessen transportation cost burdens for Vermonters.

1 (c) State policy, including Vermont’s Comprehensive Energy Plan (CEP),
2 recognizes vehicle electrification as an essential strategy for meeting the
3 State’s climate and energy goals. The CEP calls for 50,000 EVs, or 10 percent
4 of the fleet in Vermont by 2025 advancing to EVs composing 25 percent for
5 the fleet by 2030. Vermont has approximately 2,600 EVs on the road today,
6 and EVs in Vermont are just 3.5 percent of new passenger vehicle
7 registrations. Projections show Vermont is not yet on track to meet its
8 transportation-electrification targets.

9 (d) Meeting Vermont’s transportation-electrification targets will help make
10 Vermont attractive to employers, workers, and tourists and help grow
11 Vermont’s economy by keeping transportation energy expenditures in State.

12 (e) In 2015, approximately \$830 million was spent on gasoline sales in
13 Vermont. If this travel had all been powered by electricity, the cost would
14 have been significantly less, saving drivers more than \$500 million.

15 (f) Vehicle electrification faces several barriers, including EV model
16 availability, publicly available charging stations, and lack of public awareness
17 about the benefits of EVs. While State government is working hard to address
18 these issues, surveys consistently confirm that the up-front cost of EVs is
19 among the top barriers and that consumer incentives are effective in increasing
20 EV sales.

1 (2) provide incentives of \$2,500.00 to households with income levels
2 between 100 percent and 140 percent of the State’s most recent Median
3 Household Income (MHI) level and additional incentives of up to twice that
4 amount shall be available to households below Vermont’s MHI;

5 (3) apply to vehicles with a Base Manufacturer’s Suggested Retail Price
6 (MSRP) of \$40,000.00 or less;

7 (4) run until available funds are fully obligated, with available
8 incentives spread evenly across each year to the extent reasonably practicable;
9 and

10 (5) be funded on a first-come, first-served basis in each year of the
11 program.

12 (d) To the extent public electric distribution utilities are willing to
13 participate, each sale or lease incentive may come with a Level 2 home charger
14 provided by the electric distribution utility and funded under Tier 3 of
15 Vermont’s Renewable Energy Standard or other available means. The home
16 charger shall be capable of allowing the electric distribution utility to manage
17 grid load. Electric distribution utilities shall encourage the adoption of EVs
18 while ensuring fairness to all customers when developing rates for customers
19 with EVs. Participating utilities shall help market the program.

1 (e) Subject to State procurement requirements, the PSD may retain a
2 consultant to assist with marketing, program development, and administration.
3 Up to \$75,000.00 of program funding may be set aside for this purpose.

4 (f) The PSD shall evaluate the program annually to gauge its effectiveness.

5 * * * Legislative Support and Study on Electric Vehicle Charging Fees * * *

6 Sec. 20c. LEGISLATIVE SUPPORT

7 The General Assembly supports the establishment of a mechanism to ensure
8 that electric and plug-in hybrid electric vehicle owners pay into the
9 Transportation Fund. Consistent with the joint filing of the Agency of
10 Transportation, Agency of Natural Resources, and Department of Public
11 Service with the Public Utility Commission on January 9, 2019, a funding
12 mechanism should:

13 (a) be charged to electric and plug-in hybrid electric vehicle owners as a
14 per-kWh fee for electric vehicle charging; and

15 (b) be phased in over time as electric and plug-in hybrid electric vehicle
16 adoption increases.

17 Sec. 20d. STUDY OF EXTENSION OF ELECTRIC VEHICLE INCENTIVE
18 PROGRAM

19 The Department of Public Service, in consultation with the Agency of
20 Transportation and the Joint Fiscal Office, shall complete a study and submit a
21 written report to the House and Senate Committees on Transportation on or

1 before November 1, 2019 concerning the steps necessary to implement fees on
2 electric and plug-in hybrid electric vehicle charging, as well as facilitating the
3 extension of the Electric Vehicle Incentive Program established in Sec. 20b of
4 this act in order to achieve the levels of electric vehicle adoption in Vermont’s
5 Comprehensive Energy Plan (CEP). This study and report shall consider the
6 following factors:

7 (a) the cost and feasibility of utility equipment needed to separately meter
8 electric and plug-in hybrid electric vehicle charging;

9 (b) other costs incurred by the electric utilities related to electric and plug-
10 in hybrid electric vehicle deployment, associated infrastructure, and
11 implementation of the State’s renewable energy standard;

12 (c) the amount of incremental revenue to the electric utilities generated by
13 additional electric and plug-in hybrid electric vehicles;

14 (d) the feasibility of using revenue bonds or other funding mechanisms to
15 support the Electric Vehicle Incentive program;

16 (e) the level of investment and incentives needed to reach the number of
17 electric and plug-in hybrid electric vehicles in the CEP; and

18 (f) such other factors as the Department of Public Service and Agency of
19 Transportation may identify.

20 * * * Electric Vehicle Purchase and Use Tax Exemption * * *

21 Sec. 20e. 32 V.S.A. § 8903 is amended to read:

1 § 8903. TAX IMPOSED

2 (a)(1) There is ~~hereby~~ imposed upon the purchase in Vermont of a motor
3 vehicle by a resident a tax at the time of such purchase, ~~payable as hereinafter~~
4 ~~provided. The~~ Except as otherwise provided in this subsection or excepted in
5 section 8911 of this title, the amount of the tax shall be six percent of the
6 taxable cost of a:

7 (A) pleasure car as defined in 23 V.S.A. § 4, and excluding electric
8 vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;

9 (B) motorcycle as defined in 23 V.S.A. § 4;

10 (C) motor home as defined in subdivision 8902(11) of this title; or

11 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
12 23 V.S.A. § 367, other than a farm truck.

13 (2) For an electric vehicle or plug-in hybrid electric vehicle as defined in
14 23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the
15 taxable cost exceeds \$30,000.00.

16 (3) For any other motor vehicle, it shall be six percent of the taxable cost
17 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
18 except that pleasure cars that are purchased, leased, or otherwise acquired for
19 use in short-term rentals shall be subject to taxation under subsection (d) of this
20 section.

1 Sec. 20f. 32 V.S.A. § 8911 is amended to read:

2 § 8911. EXCEPTIONS

3 The tax imposed by this chapter shall not apply to:

4 * * *

5 (6) ~~[Repealed.]~~ The first \$30,000 of the taxable cost of an electric
6 vehicle or plug-in hybrid electric vehicle as defined in 23 V.S.A. § 4.

7 * * *

8 Sec. 20g. 32 V.S.A. § 8900 is amended to read:

9 § 8900. STATUTORY PURPOSES

10 * * *

11 (g) The statutory purpose of the exemption of the first \$30,000.00 of the
12 taxable cost of an electric vehicle or plug-in hybrid electric vehicle in
13 subdivision 8911(6) of this title is to encourage the purchase and use of electric
14 and plug-in hybrid electric vehicles.

15 Sec. 20h. EXEMPTION TRACKING AND POSTING

16 The Agency of Transportation, in consultation with the Departments of Tax
17 and of Motor Vehicles, shall establish a way to track the number of electric and
18 plug-in hybrid electric vehicles sales and use tax exemptions that have been
19 granted in this State and the number of incentives provided through the
20 Electric Vehicle Incentive Program. Starting on January 1, 2020, the Agency
21 of Transportation shall post those numbers on the Agency of Transportation's

1 website at least every two weeks along with an estimation of remaining
2 funding available for the Electric Vehicle Incentive Program.

3 * * * Repeal of Electric Vehicle Purchase and Use Tax Exemption * * *

4 Sec. 20i. 32 V.S.A. § 8903 is amended to read:

5 § 8903. TAX IMPOSED

6 (a)(1) There is imposed upon the purchase in Vermont of a motor vehicle
7 by a resident a tax at the time of such purchase. Except as otherwise provided
8 in this subsection or excepted in section 8911 of this title, the amount of the tax
9 shall be six percent of the taxable cost of a:

10 (A) pleasure car as defined in 23 V.S.A. § 4, ~~and excluding electric~~
11 ~~vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;~~

12 (B) motorcycle as defined in 23 V.S.A. § 4;

13 (C) motor home as defined in subdivision 8902(11) of this title; or

14 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
15 23 V.S.A. § 367, other than a farm truck.

16 (2) ~~For an electric vehicle or plug-in hybrid electric vehicle as defined in~~
17 ~~23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the~~
18 ~~taxable cost exceeds \$30,000.00. [Repealed.]~~

19 (3) For any other motor vehicle, it shall be six percent of the taxable cost
20 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
21 except that pleasure cars that are purchased, leased, or otherwise acquired for

1 use in short-term rentals shall be subject to taxation under subsection (d) of this
2 section.

3 (b)(1) Except as otherwise provided in this subsection or excepted in
4 section 8911 of this title, there is imposed upon the use within this State a tax
5 of six percent of the taxable cost of a:

6 (A) pleasure car as defined in 23 V.S.A. § 4, ~~and excluding electric~~
7 ~~vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;~~

8 (B) motorcycle as defined in 23 V.S.A. § 4;

9 (C) motor home as defined in subdivision 8902(11) of this title; or

10 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
11 23 V.S.A. § 367, other than a farm truck.

12 (2) ~~For an electric vehicle or plug-in hybrid electric vehicle as defined in~~
13 ~~23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the~~
14 ~~taxable cost exceeds \$30,000.00. [Repealed.]~~

15 (3) For any other motor vehicle, it shall be six percent of the taxable cost
16 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
17 by a person at the time of first registering or transferring a registration to such
18 motor vehicle payable as hereinafter provided, except no use tax shall be
19 payable hereunder if the tax imposed by subsection (a) of this section has been
20 paid, or the vehicle is a pleasure car that was purchased, leased, or otherwise

1 acquired for use in short-term rentals, in which case the vehicle shall be subject
2 to taxation under subsection (d) of this section.

3 * * *

4 Sec. 20j. 32 V.S.A. § 8911 is amended to read:

5 § 8911. EXCEPTIONS

6 The tax imposed by this chapter shall not apply to:

7 * * *

8 (6) ~~The first \$30,000 of the taxable cost of an electric vehicle or plug-in~~
9 ~~hybrid electric vehicle as defined in 23 V.S.A. § 4. [Repealed.]~~

10 * * *

11 Sec. 20k. 32 V.S.A. § 8900 is amended to read:

12 § 8900. STATUTORY PURPOSES

13 * * *

14 (g) ~~The statutory purpose of the exemption of the first \$30,000.00 of the~~
15 ~~taxable cost of an electric vehicle or plug-in hybrid electric vehicle in~~
16 ~~subdivision 8911(6) of this title is to encourage the purchase and use of electric~~
17 ~~and plug-in hybrid electric vehicles. [Repealed.]~~

18 Sec. 20l. REPEAL OF EXEMPTION TRACKING AND POSTING

19 Sec. 20h (exemption tracking and posting) of this act is repealed.

20 * * * Transfer * * *

21 Sec. 20m. TRANSFER TO THE TRANSPORTATION AND EDUCATION

1 FUNDS

2 (a) General funds appropriated for the Electric Vehicle Incentive Program
3 shall be transferred to the Transportation Fund and Education Fund on a
4 quarterly basis to offset the loss in motor vehicle sales and use tax revenue
5 pursuant to 32 V.S.A. § 8911(6) as amended by Sec. 20f of this act.

6 (b) The quarterly transfers shall be based on the exemption tracking and
7 posting by the Agency of Transportation pursuant to Sec. 20h of this act.

8 * * * Effective Dates * * *

9 Sec. 26. EFFECTIVE DATES

10 (a) This section and Secs. 3 (voluntary cancellation of municipal projects),
11 4 (project cancellations), 11 (formula for public transit funding), 15 (public-
12 private partnership (P3) definition), 16 (highway work; minimum wages),
13 20 (electric vehicle definitions), 20a (legislative findings), 20b (incentive
14 program), 20c (legislative support), 20d (study on incentive programs and
15 fees), 20h (exemption tracking and posting), and 20m (transfer), and 23
16 (transportation fund) shall take effect on passage.

17 (b) Secs. 20e (sales and use tax), 20f (exemption), and 20g (statutory
18 purpose) shall take effect on January 1, 2020.

19 (c) Sec. 22 (fees for electric vehicle charging stations) shall take effect on
20 July 1, 2022.

- 1 (d) Secs. 20i (repeal of sales and use tax exemption), 20j (repeal of sales
2 and use tax exemption), 20k (repeal of statutory purpose), and 20l (repeal of
3 exemption tracking and posting) shall take effect upon determination by the
4 Secretary of Transportation that funds available for the Electric Vehicle
5 Incentive Program have been fully obligated.
6 (e) All other sections shall take effect on July 1, 2019.