

Subject Electric vehicles

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## Overview

House File 4181 promotes the use of electric vehicles in three ways:

- establishing a hierarchy for vehicle purchases by state agencies that gives electric vehicles the highest priority;
- providing rebates to purchase or lease new and used electric vehicles; and
- providing grants to auto dealers to offset staff training costs necessary to certify dealers to sell electric vehicles.

## Summary

Section	Description
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|---|---|
| 1 | <p><b>[16C.135] Purchases of fuel and vehicles by state agencies.</b></p> <p><b>Subd. 3. Vehicle purchases.</b> Establishes a hierarchy of preferences for vehicles purchased by state agencies. In descending order, they are electric, hybrid, clean fuels, and gasoline. A more-preferred vehicle can only be rejected if it cannot adequately perform its intended purpose or if the life-cycle cost of ownership is more than 10 percent higher than that of the next lower preference vehicle type.</p> |
| 2 | <p><b>[16C.137] Minimizing energy use; renewable fuels.</b></p> <p><b>Subd. 1. Goals and actions.</b> Specifies that new vehicles are to be purchased in conformity with the hierarchy established in section 16C.135.</p>  |
| 3 | <p><b>[216C.401] Electric vehicle rebates.</b></p> <p><b>Subd. 1. Definitions.</b></p> <p><b>Subd. 2. Eligible vehicle.</b> Specifies conditions a new and used electric vehicle must meet in order to be eligible for a rebate.</p>  |

Section	Description
	<p><b>Subd. 3. Eligible purchaser or lessee.</b> Specifies conditions a purchaser or lessee of a new and used electric vehicle must meet in order to be eligible for a rebate.</p> <p><b>Subd. 4. Rebate amounts.</b> Specifies that purchasers or lessees of new electric vehicles may receive a \$2,500 rebate and used electric vehicles \$500. Those with household incomes below 150 percent of the federal poverty rate (\$39,300 for a family of four) may receive a supplemental rebate of \$500 and \$100 for new and used electric vehicles, respectively.</p> <p><b>Subd. 5. Limits.</b> Limits rebates to one per household and one per year per business entity.</p> <p><b>Subd. 6. Program administration.</b> Specifies rebates shall be awarded on a first-come, first-served basis. Requires the commissioner of commerce to coordinate with dealers and other state agencies to develop a procedure whereby rebates can be made at the point of sale.</p> <p><b>Subd. 7. Expiration.</b> Specifies that this section expires June 30, 2025.</p>
4	<p><b>[216C.402] Grant program; manufacturers' certification of auto dealers to sell electric vehicles.</b></p> <p><b>Subd. 1. Establishment.</b> Establishes a grant program in the Department of Commerce to award grants to auto dealers to offset the costs of obtaining training for salespersons and repair staff that is required by electric vehicle manufacturers in order to certify dealers to sell electric vehicles.</p> <p><b>Subd. 2. Application.</b> Requires dealers to apply to the commissioner for a grant.</p> <p><b>Subd. 3. Eligible applicants.</b> Specifies that only auto dealers meeting the statutory definition in chapter 168 are eligible for a grant.</p> <p><b>Subd. 4. Eligible expenditures.</b> Restricts expenditures to grants and the reasonable cost of administering the grant program.</p> <p><b>Subd. 5. Limitation.</b> Sets the maximum grant amount at \$40,000.</p>
5	<p><b>Appropriation.</b></p> <p>Appropriates \$10 million from the renewable development account and \$10 million from the general fund in fiscal year 2021 for electric vehicle rebates. Appropriates \$2 million from the renewable development account and \$2 million from the general fund in fiscal year 2021 for grants to auto dealers.</p>



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