

Subject Electric Vehicles

Authors Stephenson

Analyst Bob Eleff

Date January 24, 2023

Overview

House File 413 promotes the use of electric vehicles in four 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;
- providing grants to auto dealers to offset staff training costs necessary to certify dealers to sell electric vehicles; and
- requiring transportation electrifications plans from public utilities that promote electric vehicle adoption.

Summary

Section	Description
---------	-------------

- | | |
|---|---|
| 1 | <p>[16B.58] State parking facilities.</p> <p>Subd. 9. Electric vehicle charging. Requires a privately-owned electric vehicle using a charging station in the State Capitol area to pay a service fee established by the Department of Administration.</p> |
| 2 | <p>[16C.135] Purchases of fuel and vehicles by state agencies.</p> <p>Subd. 3. Vehicle purchases. 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> |

Section	Description
3	<p>[16C.137] Minimizing energy use; renewable fuels.</p> <p>Subd. 1. Goals and actions. Specifies that new vehicles are to be purchased in conformity with the hierarchy established in section 16C.135.</p>
4	<p>[168.27] Motor vehicle dealers; violations; penalties.</p> <p>Subd. 2a. Dealer training; electric vehicles. Requires a dealer selling electric vehicles to employ at least one person certified as completing a training course that addressed certain specified topics regarding electric vehicles.</p>
5	<p>[216B.1615] Electric vehicle deployment program.</p> <p>Subd. 1. Definitions.</p> <p>Subd. 2. Transportation electrification plan; contents. Requires public utilities to file a plan with the Minnesota Public Utilities Commission under this section, beginning June 1, 2024, and every three years thereafter. The plan must describe utility investments and incentives to facilitate electric vehicle deployment; rate structures to encourage deployment; programs to educate customers about electric vehicle benefits; and strategies to target low-income customers.</p> <p>Subd. 3. Transportation electrification plan; review and implementation. Specifies plan goals and objectives against which the commission must evaluate a plan.</p> <p>Subd. 4. Cost recovery. Authorizes the commission to approve the recovery of prudent and reasonable investments made by a public utility to implement an approved plan.</p>
6	<p>[216C.401] Electric vehicle rebates.</p> <p>Subd. 1. Definitions.</p> <p>Subd. 2. Eligible vehicle. Specifies conditions a new and used electric vehicle must meet in order to be eligible for a rebate.</p> <p>Subd. 3. Eligible purchaser or lessee. Specifies eligibility for receiving a rebate: Minnesota resident, business, nonprofit or political subdivision that registers the vehicle in Minnesota, and has not received a prior electric vehicle rebate in Minnesota.</p> <p>Subd. 4. Rebate amounts. 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</p>

Section	Description
	<p>family of four) may receive a supplemental rebate of \$500 and \$100 for new and used electric vehicles, respectively.</p> <p>Subd. 5. Limits. Limits rebates to one per household and one per year per business entity.</p> <p>Subd. 6. Program administration. 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>Subd. 7. Expiration. Specifies that this section expires June 30, 2027.</p>
7	<p>[216C.402] Grant program; manufacturers' certification of auto dealers to sell electric vehicles.</p> <p>Subd. 1. Establishment. 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>Subd. 2. Application. Requires dealers to apply to the commissioner for a grant.</p> <p>Subd. 3. Eligible applicants. Specifies that only auto dealers meeting the statutory definition in chapter 168 are eligible for a grant.</p> <p>Subd. 4. Eligible expenditures. Restricts expenditures to grants and the reasonable cost of administering the grant program.</p> <p>Subd. 5. Limitation. Sets the maximum grant amount at \$40,000.</p>
8	<p>Appropriation.</p> <p>Appropriates \$10 million from the renewable development account and \$10 million from the general fund in fiscal year 2024 for electric vehicle rebates. Appropriates \$2 million from the renewable development account and \$2 million from the general fund in fiscal year 2024 for grants to auto dealers.</p>
9	<p>Repealer.</p> <p>Repeals Minnesota Statutes, section 16B.24, subdivision 13, relating to electrical vehicle charging in the Capitol area.</p>



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155