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H.B. 292
134th General Assembly

Bill Analysis

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Version: As Passed by the House

Primary Sponsors: Reps. Sobeki and Cutrona

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SUMMARY

- Establishes the Electric Vehicle Commission within the Department of Transportation and sets its responsibilities.
- Authorizes a temporary sales and use tax exemption for certain parts and components used in the production of electric vehicles.

DETAILED ANALYSIS

Overview

The bill establishes the Electric Vehicle Commission within the Department of Transportation. The purpose of the Commission is to study and make policy recommendations related to electric vehicle product manufacturing in Ohio. As used in the bill, an “electric vehicle product” is a battery powered electric vehicle, an alternative powertrain technology vehicle, a hydrogen powered vehicle, or a plug-in electric motor vehicle. The term also includes the charging stations needed to make use of those vehicles.

Duties and responsibilities

Under the bill, the Commission is responsible for all of the following:

- Evaluating the inventory of existing electric vehicle product facilities and production capability;
- Evaluating the inventory of skilled and nonskilled workers in the electric vehicle product industry;
- Evaluating opportunities and needs for training within the electric vehicle product industry;

- Determining if training centers promoting careers in the electric vehicle product industry should be created or transitioned from traditional automotive industry training centers;
- Determining which traditional automotive industry facilities should be transitioned into electric vehicle product facilities;
- Identifying and evaluating opportunities for growth within the electric vehicle product industry;
- Identifying and documenting results from previous instances of retooling and transforming manufacturing facilities in the automotive industry;
- Identifying opportunities for research and development within the electric vehicle product industry;
- Evaluating the effectiveness of tax exemptions for electric vehicle products;
- Tracking employment data from the electric vehicle product industry, including job growth or contraction figures, wages paid, and other factors related to employment.¹

Commission report

The Commission is required annually make a report to the Department of Transportation, the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives. The report is to include a description of all activities undertaken by the Commission during the prior year, must be in an electronic format, and be delivered no later than September 30.²

Governance

The Commission is to be responsible for making all policy decisions relating to the evaluations, determinations, and other duties of the Commission. Additionally, the Commission may adopt rules as necessary to carry out its responsibilities.³

Commission composition

The Commission is to consist of the following members:

- Two members of the Senate, appointed by the President of the Senate, one of whom must be of the same political party as the President and one of whom must be from a different political party;

¹ R.C. 4501.821(B).

² R.C. 4501.821(C).

³ R.C. 4501.821(A) and (D).

- Two members of the House of Representatives, appointed by the Speaker of the House of Representatives, one of whom must be of the same political party as the Speaker and one of whom must be from a different political party;
- Six members appointed by the Governor, as follows:
 - One representative of local governments;
 - One representative of organized labor operating in the automotive industry;
 - One representative of the automotive industry;
 - One representative of the Ohio Automobile Dealers Association;
 - One representative of the electric vehicle charging station manufacturing industry;
 - One representative of Clean Fuels Ohio.⁴

Governor's appointees

Members of the Commission appointed by the Governor are to serve a four-year term. Any such member may be reappointed. The Governor is authorized to remove any member appointed by the Governor. Any vacancy of such Commission seats are to be filled by the Governor.⁵

General Assembly appointees

A member of the Commission that is a member of the General Assembly is to serve until the end of the member's current term of office in the General Assembly expires or until the legislator is removed as a member of the Commission by the President of the Senate or the Speaker of the House, as applicable. Similarly, a vacancy of legislative Commission members are to be filled by the President of the Senate or the Speaker of the House, as applicable. Such a member is to serve on the Commission until the end of the member's current term of office in the General Assembly or until the legislator is removed.⁶

Appointment deadline

Members of the Commission are to be appointed not later than 30 days after the effective date of the bill. The Governor is required to designate one of the members to serve as the chairperson of the Commission and annually thereafter. The Commission is to hold its initial meeting not later than 30 days after the last member is appointed. All subsequent meetings of the Commission are to be held at the call of the chairperson. Five members of the Commission constitute a quorum.⁷

⁴ R.C. 4501.82(D).

⁵ R.C. 4501.82(E).

⁶ R.C. 4501.82(F).

⁷ R.C. 4501.82(G).

Member compensation

The members of the Commission are to serve without compensation, but can receive travel reimbursement at the same mileage rate allowed for the reimbursement of travel expenses of state agents, as provided by rule of the Director of Budget and Management.⁸

Sales and use tax exemption

The bill provides a temporary sales and use tax exemption for parts and components such as engines, transmissions, batteries, and brakes that are specifically designed for use in, and are unique to the production of electric vehicle products. Electric vehicle products include plug in motor vehicles and their charging stations as well as vehicles that are battery powered, hydrogen powered, or powered by alternative powertrain technology. The exemption expires on December 31, 2026.⁹

Most, if not all of the parts and components exempted by the bill appear to be covered under two broader exemptions available under continuing law. The first exempts items and services incorporated into tangible personal property for sale through manufacturing, assembling, processing, or refining.¹⁰ The second exempts equipment, machines, and parts that are used as components of a manufacturing operation to produce tangible personal property for sale.¹¹ These exemptions seemingly cover electric vehicle engines, transmissions, batteries, and brakes as well as the equipment used to manufacture such parts and components.

HISTORY

Action	Date
Introduced	05-06-21
Reported, H. Transportation & Public Safety	10-27-21
Passed House (81-10)	11-18-21

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⁸ R.C. 4501.82(H).

⁹ R.C. 5739.02(B)(57).

¹⁰ R.C. 5739.02(B)(42)(a).

¹¹ R.C. 5739.02(B)(42)(g); R.C. 5739.011(B), not in the bill; and Ohio Administrative Code 5703-9-21.