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CORRECTED VERSION*

SUMMARY

Accelerating Ohio's Automotive Industry Task Force

- Creates the Accelerating Ohio's Automotive Industry Task Force (Task Force) within DriveOhio, the Statewide Center for Advancing Smart Mobility Solutions, to monitor, and provide expertise regarding, the electric vehicle product market in Ohio and provide suggestions to maximize its benefits to Ohio and to exist until DriveOhio ceases to exist.
- Requires the membership to include the Executive Director of DriveOhio as chairperson, seven named state agency heads, four legislators appointed by the Senate President and Speaker of the House as specified in the bill, 13 members appointed by the Governor, and two members appointed by the Ohio AFL-CIO President.
- Requires the Governor, prior to making any Task Force appointment, to establish and advertise for a period of at least 30 days in order to receive public comments concerning the appointment.
- Allows Task Force members to recommend adding one or more additional members, who may be added upon a majority vote of its membership, if the recommended member accepts the appointment.
- Requires appointments to be made not later than 60 days after the bill's effective date, and the first Task Force meeting to be not later than 30 days after the last appointment,

* Corrects omission of the \$750,000 appropriation for administration of the Electric Vehicle Incentive Program.

establishes member terms, authorizes the removal of members and filling of vacancies, and allows reimbursement for travel expenses.

- Allows the Task Force chairperson to establish subcommittees to support the purpose of the Task Force and allows subcommittee chairpersons to appoint members from those on the Task Force and others not on the Task Force.
- Requires the Task Force to perform numerous duties, such as, for example, preparing a plan for electric vehicle product adoption and an economic impact study evaluating the electric vehicle product market, and completing other duties related to electric vehicles such as training and training centers, product and workforce inventory, research and development, and infrastructure.
- Requires the Task Force to review, at least biennially, to determine if adjustments are warranted for the (1) sales tax exemption amounts for the retail sale or lease of battery electric motor vehicles or plug-in hybrid electric vehicles and (2) maximum amount for MSRP.
- By September 30 each year, requires the Task Force to submit, in electronic format, a report of its prior year activities that is to be delivered to the Departments of Transportation and Development, Senate President, Speaker of the House, and the Senate and House Minority Leaders and made available on a publicly accessible website.

Electric Vehicle Retooling and New Equipment Acquisition Program

- Creates the Electric Vehicle Retooling and New Equipment Acquisition Program (“Retooling Program”) to provide grants to original equipment manufacturers and suppliers to purchase equipment to produce parts or components for or assemble electric vehicles.
- Allows the Director of Development (DEV Director) to charge an original equipment manufacturer or supplier for the unamortized value of a grant if the manufacturer or supplier is not in compliance with any of the Retooling Program’s requirements.
- Requires an original equipment manufacturer or supplier awarded a grant to submit an annual report to the DEV Director.
- Appropriates \$15 million in each of FY 2022 and FY 2023 to provide program grants.

Electric Vehicle Training and Modernization Program

- Requires the Department of Development to develop and administer the Electric Vehicle Training and Modernization Program (“Modernization Program”) to reimburse training providers for costs related to acquiring or modifying equipment and providing grants and marketing related to an electric vehicle training program.
- Lists the training providers that are eligible to participate in the Modernization Program and the categories of costs for which a training provider may seek a reimbursement.

- Requires a training provider that receives a reimbursement to submit a report to the DEV Director with information on student, apprentice, or employee progress under the Modernization Program, and requires the DEV Director to submit an annual report on the Modernization Program to the General Assembly.
- Appropriates \$10 million in each of FY 2022 and FY 2023 to fund the program.

Electric Vehicle Incentive Program

- Creates the electric Vehicle Incentive Program, administered by the Department of Development (DEV), to increase electric vehicle production in Ohio.
- Requires DriveOhio, as part of this program, to create and maintain a dashboard displaying the location of electric vehicle sales subject to the bill's new state sales tax exemption and the total number of such sales.
- Permits TAX to share certain information necessary to operate the program to DEV, the Department of Transportation, and DriveOhio.
- Appropriates \$750,000 in each of FY 2022 and FY 2023 to fund the program's administrative costs.

State sales tax electric vehicle exemption

- Creates a temporary state sales tax exemption for the sale or lease of certain new or used battery electric vehicles and new plug-in hybrid electric vehicles.
- Caps the exemption depending on the type of vehicle.
- Limits the exemption on vehicles purchased for business use to businesses operating in Ohio.
- Limits the exemption on the sale or lease of new vehicles for personal use to vehicles below a prescribed MSRP.
- Requires the Department of Taxation (TAX) to publish a list of exemption-eligible vehicles on its website.
- Authorizes the Task Force to recommend to the General Assembly adjustments to the exemption caps and MSRP thresholds.

State policy for competitive retail electric service

- Expands current state policy for competitive retail electric service, to encourage electric distribution utilities (EDUs) to deploy electric grid infrastructure through competitively neutral programs that support electric vehicle charging infrastructure development, minimize customer costs for infrastructure construction, and allow cost recovery.

Transportation electrification programs

- Permits an EDU, as part of its electric security plan, to develop programs to promote, prepare for, and support transportation electrification within the EDU's certified

territory and requires Public Utilities Commission of Ohio (PUCO) to approve the programs if they meet the requirements specified for such programs.

- Defines (1) “transportation electrification” as “the use of electric vehicles and the deployment of systems and infrastructure for electric vehicle charging” and (2) “electric grid infrastructure” to include “additions and improvements to utility property that facilitate transportation electrification and operate as part of the electric distribution grid.”
- Defines “electric vehicle” as a vehicle powered wholly by a system that can be recharged via an external source of electricity, including a vehicle (1) for public or private use that is a passenger car, commercial car or truck, (2) used for public transit, (3) used in a vehicle fleet, (4) used in construction work, and (5) used in industrial or warehouse work.
- Requires EDU transportation electrification programs to promote competitively neutral transportation electrification, minimize overall program costs, maximize program benefits, and provide for recovery of prudently incurred utility costs for transportation electrification.
- Allows such programs to include the following:
 - Investments or incentives to facilitate the deployment of customer- or utility-owned electric vehicle charging infrastructure and the transition of public transit vehicles and other vehicle fleets to electric vehicles;
 - Rate designs or programs that encourage electric vehicle charging that supports efficient grid operation;
 - Customer education, outreach, and incentive programs;
 - Pilot projects designed to test the integration of electric vehicle industry and market innovations and conducted with the support of, and in partnership with the EDU.
- Requires PUCO to authorize cost recovery of all prudently incurred costs for approved transportation electrification programs and specifies that approved costs must be recovered through a mechanism under the EDU’s distribution rate case or a distribution rider approved under the EDU’s electric security plan.
- Before approving recovery of transportation electrification program investments and expenditures, PUCO must consider whether they are reasonably expected to, among other things specified in the bill, improve the EDU’s system efficiency and operational flexibility, support electric grid safety and reliability, benefit Ohio electric customers, and attract private capital investments.
- Permits PUCO to adopt rules regarding the requirements for transportation electrification programs and the minimization of program costs paid by customers in aid of construction for electric grid infrastructure.

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DETAILED ANALYSIS

Accelerating Ohio’s Automotive Industry Task Force

The bill creates the Accelerating Ohio’s Automotive Industry Task Force (Task Force) within DriveOhio, the Statewide Center for Advancing Smart Mobility Solutions.¹ The purpose of the 27-member Task Force is to monitor, and provide expertise regarding, the electric vehicle product market in Ohio and provide suggestions to maximize its benefits to Ohio.² Under the bill, “electric vehicle product” is a battery electric motor vehicle, a hybrid motor vehicle, or a plug-in electric motor vehicle and the charging stations needed to make use of those vehicles.³

¹ R.C. 4501.85(A)(1) and (B)(1).

² R.C. 4501.85(B)(2).

³ R.C. 4501.85(A)(2).

Under the bill, DriveOhio must provide administrative support as needed to assist the Task Force in carrying out its responsibilities. Under the bill, the Task Force will cease to exist, if DriveOhio ceases to exist.⁴

Through Executive Order 2019-26D, the Governor reauthorized DriveOhio to advance smart mobility solutions and to focus on “improving the safety of our roadways through the use of implementing technology that assists in the safe transportation of people and goods.” DriveOhio is led by an executive director who serves at the pleasure of, and reports to, the Director of the Department of Transportation.⁵

Task Force membership

State agency members

Under the bill, members of the Task Force include the Executive Director of DriveOhio, Director of Transportation, Chief Investment Officer of JobsOhio, Director of Environmental Protection, Director of Commerce, Director of Development, Chancellor of Higher Education, and Chairperson of the Public Utilities Commission (PUCO), all of whom may select designees to serve on the Task Force.⁶

Legislative members

Legislative members include two members of the Senate appointed by the President of the Senate and two members of the House of Representatives appointed by the Speaker of the House of Representatives. Of these, one Senator must be of the same political party as the Senate President, and the other must be from a different political party. And, one Representative must be from the same political party as the Speaker of the House, and the other must be from a different political party.⁷

Members appointed by the Governor

The bill also requires the Governor to appoint 13 members to the Task Force. The Governor’s appointees include one member representing each of the following:⁸

- An association representing motor vehicle manufacturers that produce both internal combustion and electric vehicles;
- Motor vehicle manufacturers that produce only electric vehicles;
- Motor vehicle dealers;

⁴ R.C. 4501.85(B)(3) and (4).

⁵ R.C. 4501.85(A)(1); [Executive Order 2019-26D](#), issued on October 25, 2019, is available on the Governor’s website, www.governor.ohio.gov, by selecting the “Executive Orders” link on the “Media” tab and entering keyword “DriveOhio.”

⁶ R.C. 4501.85(C)(1) to (8).

⁷ R.C. 4501.85(C)(9) and (10).

⁸ R.C. 4501.85(C)(11).

- The electric vehicle charging industry;
- One or more environmental advocacy organizations;
- An electric distribution utility;
- An electric cooperative;
- A municipal electric utility;
- One or more metropolitan planning organizations;
- A training provider, which includes a state institution of higher education, an Ohio technical center, an independent college or university, a career-technical planning district, an electrician apprenticeship program, a motor vehicle dealer, a manufacturer, and a third party trainer offering a training course to an employee of a motor vehicle dealer or manufacturer;
- A nonprofit alternative fuel transportation organization;
- A community based organization that works with disadvantaged communities;
- A public health organization.

Public comment prior to Governor's appointments

Prior to making any appointment to the Task Force, the Governor must establish and advertise a reasonable period for receiving comments from the public concerning the appointment. The reasonable period may not be for less than 30 days.⁹

Other appointed members

The Task Force members also includes two members appointed by the President of the Ohio AFL-CIO, or its successor organization. AFL-CIO appointees include, one member representing organized labor working in the electric vehicle charging industry and one member representing organized labor working in the automotive industry.¹⁰

Recommendations for additional members

Under the bill, any member of the Task Force may recommend adding one or more additional members. The Task Force may add additional members by a majority vote of its membership, provided that the recommended member accepts the appointment. A member added by such a vote serves on the Task Force until the member resigns or is removed by a majority vote of the Task Force membership.¹¹

⁹ R.C. 4501.85(D)(2).

¹⁰ R.C. 4501.85(C)(12).

¹¹ R.C. 4501.85(D)(10).

Membership terms

The Governor's appointees to the Task Force serve four-year terms and may be reappointed. A legislator appointed to be a member of the Task Force serves until the end of the legislator's current term of office in the General Assembly or until the member is removed as a Task Force member by the Senate President or Speaker of the House, as applicable.¹² Unlike other Task Force appointees, members appointed by the President of the AFL-CIO, or its successor organization do not have a specified term.

Removal from Task Force and process to fill vacancies

Under the bill, appointed members may be removed from the Task Force by their appointing authority. Vacancies due to the expiration of a term or a removal are filled according to the bill's applicable appointment provisions.¹³

Reimbursement for travel expenses

Task Force members and subcommittee members do not receive compensation for their service, under the bill. But, they receive travel reimbursement at the same mileage rate allowed for state agents provided by rule of the Director of Budget and Management.¹⁴

Task Force meetings

The bill requires that appointments to the Task Force occur not later than 60 days after the bill's effective date. The first meeting of the Task Force must be held not later than 30 days after the last member is appointed. (See "**Task Force membership**" above.) Subsequent meetings must be held at the call of the chairperson, who, under the bill, is the Executive Director of DriveOhio. A majority of the Task Force constitutes a quorum.¹⁵

Duties of the Task Force

As specified in the bill, the Task Force must do the following (subject headings added for the purpose of this analysis):¹⁶

Statewide plan, economic impact study, and program evaluation

- Prepare a statewide plan detailing how electric vehicle product adoption can be advanced;

¹² R.C. 4501.85(D)(2) and (5).

¹³ R.C. 4501.85(D)(3) to (9).

¹⁴ R.C. 4501.85(E); The current mileage reimbursement rate is \$.55/mile for the period beginning April 1, 2022 through June 30, 2022. The rate is available through a link to a pdf version of the OBM memo, "[Current mileage reimbursement rate](#)" on the "[OBM Travel Rule](#)" page of the Office of Budget and Management website: obm.ohio.gov.

¹⁵ R.C. 4501.85(C)(1) and (D)(1).

¹⁶ R.C. 4501.85(F).

- Complete a statewide economic impact study that evaluates the electric vehicle product market;
- Determine criteria for determining the success of the bill's electric vehicle incentive program, in increasing electric vehicle production in Ohio.¹⁷

Customer education

- Educate consumers on the true costs and benefits of electric vehicle products and identify likely electric vehicle product consumers.¹⁸

Tax and price adjustments

- Review the sales tax exemption and MSRP, at least once every two years, to determine if adjustments are warranted and make the determination by a majority vote of the members of the Task Force (see "**Exemption amount and MSRP adjustments**" below).¹⁹

Infrastructure

- Evaluate existing electric vehicle charging infrastructure and identify needed improvements or expansions to that infrastructure;
- Develop a strategic siting plan for electric vehicle charging infrastructure that ensures universal charging access;
- Evaluate improvements needed to the electric utility grid to support the growing demand for electric vehicles.²⁰

Support to, and efforts of, local governments

- Survey local government efforts to support electric vehicle product adoption;
- Support local governments in their efforts to support electric vehicle product adoption.²¹

Electric vehicle product industry evaluations

- Evaluate the inventory of existing electric vehicle product facilities and production capability;
- Evaluate the inventory of skilled and nonskilled workers in the electric vehicle product industry;

¹⁷ R.C. 4501.85(F)(1) to (3).

¹⁸ R.C. 4501.85(F)(4).

¹⁹ R.C. 4501.85(F)(5).

²⁰ R.C. 4501.85(F)(6) to (8).

²¹ R.C. 4501.85(F)(9) and (10).

- Evaluate opportunities and needs for training within the electric vehicle product industry.²²

Training centers

- Identify traditional automotive industry training centers that could be transitioned to training centers promoting careers in the electric vehicle product industry and consider related recommendations to the centers' operators;
- Identify potential opportunities for the creation of new automotive industry training centers to promote careers in the electric vehicle product industry and make recommendations to potential operators.²³

Transition and transformation

- Identify traditional automotive industry facilities that could be transitioned into electric vehicle product facilities and consider related recommendations to the facilities' operators;
- Identify and document results from previous instances of retooling and transforming manufacturing facilities in the automotive industry.²⁴

Industry data

- Track employment data from the electric vehicle product industry, including job growth or contraction figures, wages paid, and other factors related to employment.²⁵

Research, development, and relevant expertise

- Within the electric vehicle product industry identify and evaluate opportunities for growth and identify opportunities for research and development;
- Undertake any other research and offer any other relevant expertise that the Task Force finds beneficial to its purpose.²⁶

Subcommittees

The chairperson of the Task Force may establish subcommittees as the chairperson considers appropriate to support the purpose and responsibilities of the Task Force. Once established, subcommittees may be terminated at the chairperson's discretion.

Under the bill, subcommittees are led by a subcommittee chairperson appointed by the Task Force chairperson from among Task Force members. Subcommittee chairpersons are

²² R.C. 4501.85(F)(11) to (13).

²³ R.C. 4501.85(F)(14) and (15).

²⁴ R.C. 4501.85(F)(16) and (18).

²⁵ R.C. 4501.85(F)(20).

²⁶ R.C. 4501.85(F)(17), (19), and (21).

responsible for appointing the members of the subcommittees they lead. Members appointed to subcommittees may be members of the Task Force, but do not have to be. Subcommittee members may be removed from the subcommittee at the subcommittee chairperson's discretion.²⁷

Task Force report

By September 30 each year, the Task Force must deliver a report in electronic format to the Departments of Transportation and Development, the Senate President, the Speaker of the House, and the Minority Leaders of the Senate and House. The bill requires the report to include a description of all activities undertaken by the Task Force during the prior year. As required by the bill, the report must be made available on a publicly accessible website after it is delivered to those listed above.²⁸

Electric Vehicle Retooling and New Equipment Acquisition Program

The bill creates the Electric Vehicle Retooling and New Equipment Acquisition Program ("Retooling Program") administered by the Director of Development (DEV Director). Under the Retooling Program, an original equipment manufacturer or supplier located in Ohio may apply to the DEV Director for a grant to purchase necessary equipment to produce parts or components for battery electric motor vehicles or plug-in hybrid electric motor vehicles or to assemble these vehicles, including equipment necessary for retooling an existing facility or establishing a new facility to produce parts or components for or assemble electric vehicles.

An "original equipment manufacturer" is a business that designs, assembles, or promotes motor vehicles. A "supplier" is a business that produces either (1) completed motor vehicle parts for direct sale to an original equipment manufacturer to use in assembling motor vehicles, or (2) components from raw materials, including cathode active materials, for a business to use in producing completed motor vehicle parts.²⁹

Grant application

The bill requires the DEV Director to create an application for an original equipment manufacturer or supplier to apply for a grant under the Retooling Program. The DEV Director must specify the information the original equipment manufacturer or supplier must include in the application, including both of the following:

- The cost for the original equipment manufacturer or supplier to retool an existing facility or establish a new facility to produce parts or components for or assemble electric vehicles;

²⁷ R.C. 4501.85(G).

²⁸ R.C. 4501.85(H).

²⁹ R.C. 122.971(A) and (B).

- An attestation that the manufacturer or supplier will comply with any federal or Ohio law to which the manufacturer or supplier is subject.³⁰

Director considerations

Under the bill, the DEV Director must adopt rules to specify the factors the DEV Director must consider when determining whether to award a grant. The DEV Director must include all of the following factors in the rules:

- Whether the manufacturer's or supplier's plan will increase the production of parts or components for and assembly of electric vehicles;
- The manufacturer's or supplier's capacity to produce parts or components for or assemble electric vehicles based on existing facilities, equipment, and employees, including the capacity to retool an existing facility or establish a new facility;
- The number of jobs that will be retained or created as a result of the manufacturer or supplier being awarded a grant, including estimated wage and benefit information for each job type;
- Whether the manufacturer's or supplier's production of parts or components for or assembly of electric vehicles will facilitate Ohio's effectiveness in the global economy and result in additional investment in Ohio to produce parts or components for or assemble electric vehicles.

The DEV Director also must adopt rules specifying the scoring criteria used to award the grants, including priority guidelines for approving applications that benefit disadvantaged communities identified by the DEV Director using available data and screening tools that may include low income and high or persistent poverty or high unemployment and underemployment.³¹

Grant amount and noncompliance

The amount of a grant under the Retooling Program cannot be more than \$1.5 million, except that the amount cannot be more than 50% of the cost the original equipment manufacturer or supplier included in the grant application. The DEV Director may charge a manufacturer or supplier for the unamortized value of a grant if the DEV Director determines that the manufacturer or supplier is not in compliance with any requirements under the Retooling Program to receive a grant.³²

³⁰ R.C. 122.971(E)(1).

³¹ R.C. 122.971(E)(2), (3), and (6).

³² R.C. 122.971(C) and (D).

Annual reports

The bill requires each original equipment manufacturer or supplier to submit an annual report to the DEV Director, in accordance with requirements adopted by the DEV Director in rule, that includes all of the following:

- Records or evidence of the number of jobs created or retained in Ohio, including wage and benefit information for each job type;
- Information on the production of parts or components for or assembly of electric vehicles;
- Any other information the DEV Director requires.³³

Rules

Under the bill, the DEV Director must adopt rules that are necessary for the Retooling Program's administration, including rules to maximize the amount of funds or other investments the DEV Director is eligible to receive from the federal government to award grants under the Retooling Program.³⁴

Appropriation

The bill appropriates \$15 million in FY 2022 and FY 2023 for the DEV Director to provide grants under the Retooling Program.³⁵

Electric Vehicle Training and Modernization Program

The bill requires the Department of Development to develop and administer the Electric Vehicle Training and Modernization Program ("Modernization Program"). It requires the DEV Director to adopt rules the DEV Director considers necessary to administer the Modernization Program, including rules to maximize the amount of funds or other investments the DEV Director is eligible to receive from the federal government to provide reimbursements to training providers under the Modernization Program (see "**Reimbursable costs**," below).³⁶

Eligible training providers

The bill applies to training providers who offer training programs relating to work on electric vehicles. A "training provider" is any of the following:

- A state institution of higher education;
- An Ohio technical center;

³³ R.C. 122.971(E)(4).

³⁴ R.C. 122.971(E).

³⁵ Section 4.

³⁶ R.C. 6301.25(A) and 6301.29(C).

- An independent (nonprofit) college or university;
- A career-technical planning district;
- An electrician apprenticeship program registered by the Department of Job and Family Services;
- A motor vehicle dealer or manufacturer;
- A third-party trainer offering a training course to an employee of a dealer or manufacturer.

A “training program” offered by an eligible training provider under the bill may be one of the following:

- An electric vehicle technician certificate or credential training program within an automotive technician training program offered by a state institution of higher education, independent college or university, Ohio technical center, or career-technical planning district;
- An electric vehicle infrastructure certificate or credential training program offered by an electrician apprenticeship program at an electrician apprenticeship training center;
- A training course offered by a motor vehicle dealer, manufacturer, or third-party trainer to train or educate an employee of the dealer or manufacturer to sell, repair, service, or perform maintenance on electric vehicles.³⁷

Reimbursable costs

Under the bill, a training provider may seek a reimbursement under the Modernization Program for any of the following categories of costs:

- Acquiring new equipment for use by students, apprentices, employees, and instructors in a training program;
- Providing training for instructors on a new or updated training program curriculum, including safety standards and best practices for instructing the curriculum;
- Providing grants to Ohio residents who enroll as students or apprentices or participate as employees in a training program;
- Providing marketing, outreach, or recruiting activities designed to encourage individuals to enroll or participate in a training program;
- Installing, modifying, or upgrading a service facility, charging station, or equipment used to repair, service, or perform maintenance on electric vehicles.³⁸

³⁷ R.C. 6301.24.

³⁸ R.C. 6301.25(A).

Application to participate

A training provider seeking to participate in the Modernization Program must submit an application to the DEV Director during an application period established by the DEV Director. The DEV Director must adopt rules creating the application. The training provider must include the following information in application:

- A copy of the training provider's accreditation or apprenticeship program registration, if applicable;
- A statement of the need for funding;
- A proposed budget detailing the costs described under "**Reimbursable costs**," above, for which the training provider will seek a reimbursement;
- A description of the training provider's resources and capacities at the time of applying and the estimated impact of the reimbursement sought, including the number of instructors expected to receive training and students, apprentices, or employees expected to complete a training program;
- Any other information the DEV Director requires.

The DEV Director must consider all applications to participate in the Modernization Program submitted during an application period after the period ends. The DEV Director must consider the scoring criteria established by the DEV Director in rule in determining whether to approve an application. In establishing the scoring criteria, the DEV Director must include priority guidelines for approving applications that benefit disadvantaged communities identified by the DEV Director using available data and screening tools that may include low income and high or persistent poverty or high unemployment and underemployment.³⁹

Reimbursement application and amount

The reimbursement for each category of costs under the Modernization Program for which the training provider is seeking a reimbursement cannot be more than \$25,000.

Each participating training provider seeking reimbursement for costs the training provider incurred under the Modernization Program, other than costs to provide individuals with grants under "**Reimbursable costs**," above, must submit an application created by the DEV Director in rule to the DEV Director. The training provider must include the following information in the application:

- The actual cost to the training provider for each of the categories of costs for which the training provider is seeking a reimbursement;
- Evidence that the training provider incurred the costs specified in the proposed budget included in the training provider's application;

³⁹ R.C. 6301.25(B) and (C) and 6301.29.

- Any other information the DEV Director requires.⁴⁰

Reimbursement for grants for individuals in a training program

The bill requires a training provider, to be eligible for a reimbursement for costs to provide grants to individuals to enroll or participate in a training program, to provide evidence in the training provider's reimbursement application that an individual who received a grant is an Ohio resident and one of the following:

- An individual who, after the bill's effective date, enrolls as a student in an electric vehicle technician certificate or credential training program offered by a state institution of higher education, independent college or university, Ohio technical center, or career-technical planning district;
- An individual who is registered as an apprentice in an electric vehicle infrastructure certificate or credential training program offered by an electrician apprenticeship program;
- An individual who is a prospective or incumbent employee of a motor vehicle dealer or manufacturer and is participating in a training program offered by the dealer, manufacturer, or third-party trainer that begins after the bill's effective date.

An individual awarded a grant is eligible to receive one of the following amounts:

- A maximum of \$3,000, if the individual is enrolled as a student in an electric vehicle training certificate or credential training program and has previously received an automotive technician certificate or credential;
- A maximum of \$15,000, if the individual is enrolled as a student in an electric vehicle training certificate or credential training program and has not previously received a certificate or credential;
- An amount determined by the training provider that does not exceed the total cost of the program's education expenses, if the individual is enrolled as an apprentice in an electric vehicle infrastructure certificate or credential training program;
- A maximum of \$3,000, except that the amount cannot exceed the total cost of the program's education expenses, if the individual is an employee of a motor vehicle dealer or manufacturer.

The bill requires an individual enrolled as a student in an electric vehicle technician certificate or credential training program to submit an application to a training provider to be considered for a grant. In determining whether to award the individual a grant, the training provider must assess the individual's need for financial aid.⁴¹

⁴⁰ R.C. 6301.26 and 6301.29(A).

⁴¹ R.C. 6301.27.

Required reports

Under the bill, a training provider that receives a reimbursement must submit a report to the DEV Director at the frequency determined by the DEV Director. The training provider must include information in the report on student, apprentice, or employee progress for the two-year period after the training provider acquires new equipment under the Modernization Program, including any wage and benefit information the student, apprentice, or employee provides to the training provider, as well as any other information the DEV Director requires.

Beginning one year after the bill's effective date and every year after that, the DEV Director must submit a report to the General Assembly that includes all of the following:

- The amount of the reimbursement each training provider received under the Modernization Program during the previous year;
- The information in the reports described above that training providers must submit to the DEV Director;
- Any other information required by the General Assembly.⁴²

Appropriation

The bill appropriates \$10 million in FY 2022 and FY 2023 for the DEV Director to use for the Modernization Program.⁴³

Electric Vehicle Incentive Program

The bill creates the Electric Vehicle Incentive Program to increase electric vehicle production in Ohio. The program is administered by DEV, but also includes the state sales tax exemption authorized by the bill (see "**State sales tax electric vehicle exemption**," below), which is administered by the Department of Taxation (TAX), and the bill's new electric vehicle dashboard (see "**Electric vehicle sales tax exemption dashboard**," below), which is administered by DriveOhio. DEV may adopt rules to implement the program and must advertise the program to consumers, businesses, sellers, lessors, and disadvantaged communities. The program terminates on January 1, 2032.⁴⁴

Electric vehicle sales tax exemption dashboard

As part of the Electric Vehicle Incentive Program, the bill requires DriveOhio to create and maintain an electronic "dashboard," which will display the location of each sale or lease of an electric vehicle that receives the bill's new state sales tax electric vehicle exemption (see below), the total number of such sales, and any other information DriveOhio's executive director and TAX agree to share. This dashboard is to be incorporated into the dashboard

⁴² R.C. 6301.28.

⁴³ Section 4.

⁴⁴ R.C. 122.97(A) to (D).

DriveOhio currently maintains under an executive order that shows the registrations of vehicles powered by alternative fuels in Ohio.⁴⁵

If DriveOhio ceases to exist, the Department of Transportation is to assume maintenance of the electric vehicle dashboard, so long as it maintains the alternative fuels dashboard as well. Otherwise, DEV is to maintain the electric vehicle state sales tax exemption dashboard.⁴⁶

Information sharing

Under continuing law, TAX agents and employees are generally prohibited from disclosing certain information acquired in the course of their duties about a person's transactions, property, or business. There are numerous exceptions to this prohibition and the bill adds another, specifying that TAX is allowed to disclose information that is necessary to operate the Electric Vehicle Incentive program to DEV, the Department of Transportation, and DriveOhio. Specifically, those agencies may request and TAX may provide information regarding the sales tax exemptions granted for electric vehicle sales so that such information can be incorporated into the electric vehicle dashboard, discussed above.

The bill prohibits TAX from disclosing information received from the Internal Revenue Service (IRS) if that sharing would be prohibited under federal law. The bill further prohibits DEV, the Department of Transportation, and DriveOhio from further disseminating information received from TAX pursuant to this exception, except as required by the bill, e.g., to maintain the dashboard.⁴⁷

Appropriation

The bill appropriates \$750,000 in FY 2022 and FY 2023 for DEV's costs in administering the Electric Vehicle Incentive Program.⁴⁸

State sales tax electric vehicle exemption

Exemption and limitations

The bill authorizes a limited state sales tax exemption for the retail sale or lease of certain electric vehicles. The exemption applies to new or used battery electric motor vehicles and new plug-in hybrid electric motor vehicles purchased or leased from a motor vehicle dealer from the first day of the fourth month after the bill's 90-day effective date or January 1, 2023, whichever is sooner, to December 31, 2031. The exemption does not apply to sales taxes levied

⁴⁵ Executive Order 2019-26D, issued on October 24, 2019. See the [Ohio Alternative Fuel Vehicle Registration Dashboard page](#), which is available on DriveOhio's website: drive.ohio.gov.

⁴⁶ R.C. 122.97(E).

⁴⁷ R.C. 122.97(F) and 5703.21.

⁴⁸ Section 4.

by counties and transit authorities, nor does it apply to the purchase or lease of a used plug-in hybrid electric vehicle.⁴⁹

The exemption may not exceed \$2,000 for the sale or lease of a new battery electric motor vehicle or \$1,000 for the sale or lease of a used battery electric motor vehicle or new plug-in hybrid electric motor vehicle.⁵⁰

The exemption is limited depending on whether the vehicle is purchased for business or nonbusiness use. If purchased for business use, a business qualifies for the exemption only if it operates in Ohio, i.e., if it has gross receipts from business transactions in Ohio within the preceding 12 months or if it has payroll or owns property in Ohio.⁵¹

For new battery electric or plug-in hybrid vehicles purchased for nonbusiness use, i.e., for personal, household, or family use, the exemption is limited to vehicles below a set manufacturer's suggested retail price (MSRP): up to \$80,000 for a van, pick-up truck, or SUV and up to \$55,000 for any other passenger vehicle. The MSRP is the manufacturer's price for the lowest-priced trim level of a vehicle model, and does not include charges for optional equipment, taxes, title, or registration.⁵²

The bill requires TAX to compile a list of vehicles eligible for the exemption, which must be updated at least annually and published on TAX's website.⁵³

The bill also authorizes TAX to adopt rules to administer the electric vehicle sales tax exemption, including procedures for verifying eligibility and the manner by which motor vehicle dealers can obtain information to enforce the in-state operations requirement for exemption-eligible vehicles purchased or leased for business use.⁵⁴

Exemption amount and MSRP adjustments

The Accelerating Ohio's Automotive Industry Task Force, created by the bill (see "**Accelerating Ohio's Automotive Industry Task Force**" above), must evaluate the sales tax exemption at least every two years. As part of that process, the Task Force may recommend that the General Assembly increase the maximum exemption amounts or the MSRP thresholds described above. The Task Force may make such a recommendation on the basis of inflation, MSRPs of such vehicles produced in Ohio, market growth, the price range of available models, and other criteria it considers relevant. If the Task Force decides that adjustments are warranted, it must offer a reasonable period in which to receive public

⁴⁹ The bill could be interpreted in a manner that would cause the exemption to apply to used plug-in hybrid electric vehicles. An amendment has been prepared to correct this error.

⁵⁰ R.C. 5739.22(B).

⁵¹ R.C. 5739.22(A)(5) and (C).

⁵² R.C. 5739.22(A)(3) and (4) and (D).

⁵³ R.C. 5739.22(E).

⁵⁴ R.C. 5739.22(F).

comments concerning its determination. This comment period must be advertised and take place within 90 days before the Task Force approves any adjustment.

After consideration of such comments, the Task Force may recommend an adjustment to the exemption amounts or MSRP thresholds by submitting a report to the General Assembly that includes the recommended adjustment, the date the adjustment should begin to apply, and any other information the Task Force considers necessary.

State policy for competitive retail electric service

The bill adds a new policy provision regarding electric vehicle charging infrastructure to the current state policies for competitive retail electric service. Specifically, the new policy is to “encourage electric distribution utilities to deploy electric grid infrastructure, including additions and improvements to utility property that operate as part of the electric distribution grid, through competitively neutral programs that support the development of electric vehicle charging infrastructure, minimize customer costs for the construction of the infrastructure, and allow for utility recovery of prudently incurred program costs.”⁵⁵

Transportation electrification programs

The bill permits electric distribution utilities (EDUs) to develop programs to promote, prepare for, and support transportation electrification within the EDU’s certified territory. The programs must be developed as part of the EDU’s electric security plan under the competitive retail electric service law.⁵⁶

The following definitions apply to the bill’s transportation electrification provisions:⁵⁷

Term	Definition
“Electric grid infrastructure”	Includes additions and improvements to utility property that facilitate transportation electrification and operate as part of the electric distribution grid.
“Electric vehicle”	<p>A vehicle that is powered wholly by a system that can be recharged via an external source of electricity, including:</p> <ul style="list-style-type: none"> ▪ A vehicle for public or private use that is a passenger car, commercial car or truck; ▪ A vehicle used for public transit; ▪ A vehicle used in a vehicle fleet; ▪ A vehicle used in construction work; and

⁵⁵ R.C. 4928.02(Q).

⁵⁶ R.C. 4928.1411.

⁵⁷ R.C. 4928.1410.

Term	Definition
	<ul style="list-style-type: none"> ▪ A vehicle used in industrial or warehouse work.
“Transportation electrification”	The use of electric vehicles and the deployment of systems and infrastructure for electric vehicle charging.

Under current law, an EDU is a for-profit electric light company that has a certified territory (the area within which the EDU is authorized and required to provide electric service) and is engaged in the business of supplying at least retail electric distribution service.⁵⁸

Transportation electrification program requirements

The bill requires an EDU’s transportation electrification program to do the following:

- Promote competitively neutral transportation electrification;
- Minimize overall program costs, including any costs paid by customers in aid of electric grid infrastructure;
- Maximize overall program benefits;
- Provide for recovery of prudently incurred utility costs for transportation electrification. (Presumably “utility costs” refer to the EDU’s costs, but it is not clear whether this could refer to other utility costs as well, because the bill does not describe this as prudently incurred costs *of the utility*.)⁵⁹

Other transportation electrification program options

Under the bill, such programs may include the following:

- Investments or incentives to facilitate the deployment of customer-owned or utility-owned electric vehicle charging infrastructure, including charging facilities, make-ready infrastructure, and associated electrical equipment that support transportation electrification;
- Investments or incentives to facilitate the transition of public transit vehicles and other vehicle fleets to electric vehicles;
- Rate designs or programs that encourage electric vehicle charging in a manner that supports the efficient operation of the electric grid;
- Customer education, outreach, and incentive programs that (1) increase awareness of the transportation electrification programs and the benefits of transportation electrification and (2) encourage greater adoption of electric vehicles;

⁵⁸ R.C. 4928.01(A)(6) and 4933.81(G), not in the bill.

⁵⁹ R.C. 4928.1414(A).

- Pilot projects that are designed to test the integration of electric vehicle industry and market innovations and that are conducted with the support of, and in partnership with, the utility.⁶⁰

PUCO program and cost recovery approval

The bill specifies that PUCO must approve an EDU's transportation electrification programs if the programs meet the program requirements described above in **"Transportation electrification program requirements."** If an EDU's programs are approved, PUCO must authorize cost recovery of all prudently incurred costs, including electric grid infrastructure costs, for the programs. Costs approved for recovery must be recovered through a mechanism established in a distribution rate case under the utility ratemaking law or a distribution rider under the EDU's electric security plan.⁶¹

Factors PUCO must consider

Under the bill, PUCO is required to consider certain factors before approving (1) any cost recovery for transportation electrification program investments and other expenditures or (2) a cost recovery mechanism for the investments and expenditures. PUCO must consider whether the investments and expenditures are reasonably expected to do the following:

- Improve the EDU's system efficiency and operational flexibility;
- Benefit electric customers in Ohio by optimizing the use of the electric grid to help lower electric rates;
- Support the safety and reliability of the electric grid;
- Stimulate increased consumer choices in the automotive sector;
- Attract private capital investments;
- Utilize high-quality jobs for skilled and nonskilled workers as identified by the Accelerating Ohio's Automotive Industry Task Force;
- "In the totality of the EDU's transportation electrification programs," provide electric infrastructure access for underserved populations, which may include providing access through community-based and multi-family electric vehicle charging infrastructure, car share programs, and electrification of public transit;
- Give due consideration to the rate impact of the EDU's transportation electrification programs on underserved populations.⁶² The bill does not define the term "underserved populations."

⁶⁰ R.C. 4928.1414(B).

⁶¹ R.C. 4928.1417 and 4928.1420.

⁶² R.C. 4928.1423.

PUCO rules

Under the bill, PUCO may adopt regarding (1) transportation electrification program requirements and (2) the minimization of customer-paid costs for these programs that are “in aid of construction” for electric grid infrastructure.⁶³

HISTORY

Action	Date
Introduced	03-02-22

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⁶³ R.C. 4928.1425.