

## **FACT SHEET: An Act funding the transition to electric vehicles**

Senator Cynthia Creem (S.2208) and Representative Steve Owens (H.3398)

### **What It Does**

- Directs the Registrar of Motor Vehicles (RMV) to add a fee to *new* purchased or leased gas-powered cars vehicles with a final sales price over \$60,000;
- Directs the Department of Energy Resources (DOER) and the RMV to set a formula that determines size of fee based on the vehicle's price and weight (fee to increase with weight);
- Limits the fee to \$3,500 (to mirror current rebate level for a battery-electric vehicle in state MOR-EV program);
- Revenue goes to Electric Vehicle Adoption Incentive Trust Fund;
- Calls for required regulations by December 31, 2023.

### **Why We Need It**

#### **1. To protect our climate and public health, we need to electrify.**

To reach 50% economy-wide greenhouse gas emission reductions by 2030, we must rapidly electrify the fleet of vehicles on our roads. According to the Clean Energy & Climate Plan for 2025 and 2030, to stay on track with emissions reductions, we need to replace at least 900,000<sup>1</sup> of the 5.5 million cars on our roads with EVs by 2030. Replacing gas cars with electric vehicles (EVs) also protects public health by reducing particulate matter and other harmful pollutants.<sup>2</sup>

#### **2. To electrify fast enough, we need upfront incentives.**

Until electric vehicles reach cost-parity with gas-powered cars (expected in the latter half of this decade), purchase incentives will be critical to make EVs available to more residents in Massachusetts who need personal vehicles for transportation. Historically, the state has relied on revenue from the Regional Greenhouse Gas Initiative (RGGI) to fund the state MOR-EV rebate program. However, there are many important competing needs for RGGI funding. The state needs a fair, self-sustaining source of additional revenue to support EV rebates.

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<sup>1</sup> The state's Clean Energy & Climate Plan for 2025 and 2030 calculates that 900,000 of the cars on the road in Massachusetts must be electric to reach 50% economy-wide greenhouse gas emissions reductions. For more information, please see: <https://blog.greenenergyconsumers.org/blog/clean-energy-climate-plan-deep-dive-transportation>

<sup>2</sup> For more information, please see this recent article: <https://www.vox.com/energy-and-environment/23583500/ev-electric-car-california-air-pollution-asthma-health>

### 3. To sustain incentives, we need more revenue - and to raise it fairly.

This bill would create such a source by adding a fee to the purchase or lease of new, expensive gas-powered cars to fund EV rebates. The size of the fee would correspond to the weight of the vehicle: heavier gas cars are more expensive, more polluting (both in terms of greenhouse gases and localized air pollution that harms human health), and more dangerous than smaller gas cars. The financial burden would only fall on people who can afford to purchase vehicles with a final sales price of \$60,000 or more. And since the current state rebate is only available for battery-electric vehicles under \$55,000 or plug-in hybrids under \$50,000, funds generated would not go towards the purchase or lease of similarly expensive EVs.

## FAQs

Why determine the fee amount by vehicle weight?

- The bill language directs DOER and the RMV to build a fee structure based on the vehicle's weight. Heavier vehicles are more dangerous and more polluting, both in terms of greenhouse gas emissions and localized air pollution. Since they cause more harm, it is appropriate that they contribute more to the fund.
- Federal law prohibits states from regulating vehicle efficiency or emissions.

How much revenue will this raise?

- The short answer is: we don't know yet. Green Energy Consumers Alliance has been working with DOT for months to access data that will help us estimate how much revenue this bill would result in. We hope to receive a data set from them soon. Regardless, any revenue generated as a result of this bill would be *additional* to the current revenue dedicated to EV incentives.

## To Learn More

Read the full bill text at:

- Senate version: <https://malegislature.gov/Bills/193/SD813>
- House version: <https://malegislature.gov/Bills/193/HD2753>

If you have any questions, please reach out to Anna Vanderspek at [anna@greenenergyconsumers.org](mailto:anna@greenenergyconsumers.org).