

An Initiative Petition for a Law Relative to Zero Emission Vehicles, Zero Emission Home Heating Systems, and Home Solar Powered Electricity

Be it enacted by the People, and by their authority:

SECTION 1. Definitions –

"Battery electric vehicle", a vehicle that draws propulsion energy solely from an on-board electrical energy storage device during operation and that is charged from an external source of electricity.

"Covered workers", workers, including employees, contractors or subcontractors, who are either represented by a labor organization or are paid according to the equivalent private sector prevailing wage rate schedule promulgated by the Secretary.

"Electric vehicle", a battery electric vehicle or a plug in hybrid electric vehicle.

"Eligible electric vehicle", an electric vehicle that is manufactured in the United States by workers who are represented by a labor organization.

"Eligible electric vehicle dealer", an electric vehicle dealer that offers a 10 year 0% interest loan sufficient to finance the cost of the vehicle purchase, either through its own finance department or through a bank or lending institution, to customers whose electric vehicle purchase is eligible for a tax credit or point of sale rebate under this act.

"Eligible energy storage system", an energy storage system that is manufactured in the United States by workers who are represented by a labor organization.

"Eligible heat pump", a high efficiency heat pump that is manufactured in the United States by workers who are represented by a labor organization.

"Eligible home improvement contractor", a home improvement contractor that (i) offers a 10 year 0% interest loan, either through its own finance department or through a bank or lending institution, sufficient to finance the purchase of an eligible home improvement system; and (ii) utilizes covered workers to install the eligible home improvement systems.

"Eligible home improvement system", an eligible high efficiency heat pump, eligible solar power system or eligible energy storage system.

"Eligible legacy high emission vehicle conversion", a legacy high emission vehicle conversion done by an eligible vehicle conversion contractor.

"Eligible purchase", the purchase of an eligible home improvement system, eligible electric vehicle or eligible legacy high emission vehicle conversion.

"Eligible solar power system", a solar power system that is manufactured in the United States by workers who are represented by a labor organization.

AA, SHS
HH

"Eligible vehicle conversion contractor", a vehicle conversion contractor that (i) offers a 10 year 0% interest loan sufficient to finance the cost of a conversion, either through its own finance department or through a bank or lending institution to customers who are eligible for a tax credit or point of sale rebate under this act; and (ii) utilizes covered workers to convert legacy high emission vehicles into electric vehicles.

"Energy storage system", a battery storage system that can be installed in a home in conjunction with a solar power system and is capable of storing the electricity generated by the solar power system for future use to power the electrical systems and devices in the home.

"Equivalent private sector prevailing wage rate schedule", a wage rate schedule promulgated by the Secretary that sets minimum wage rates and benefits which a home improvement contractor or vehicle conversion contractor must pay to its workers if they are working on an installation or vehicle conversion for which a taxpayer is claiming a tax credit or point of sale rebate under this act, such wage rate schedule to be identical to the prevailing wage rate schedule that would apply if the same work was being done by the home improvement contractor's workers or vehicle conversion contractor's workers were they employed on a public works project covered under the Prevailing Wage Law.

"Heat pump", a temperature regulation system that provides all or a portion of the heating and cooling needs of a home by capturing thermal energy via refrigerant and transporting the captured thermal energy back and forth between the home's internal spaces and external air, ground or water sources.

"High efficiency heat pump", a heat pump that is able to provide all or a portion of a home's heating needs, and is able to minimize the home's carbon emissions by connecting via integrated controls to the home's legacy high emission heating system and only activating that system if the outdoor temperature drops below a pre-set level.

"Home improvement contractor", a vendor that sells and installs heat pumps, solar power systems or energy storage systems.

"Labor organization", as defined in 29 US Code Section 152.

"Legacy high emission heating system", a home heating system powered by heating oil or natural gas.

"Legacy high emission vehicle," a vehicle that (i) is made by a manufacturer primarily for use on public streets, road and highways with a speed capability of at least 55 miles per hour; (ii) produces engine exhaust carbon emissions; and (iii) relies solely on an internal combustion engine for propulsion.

"Legacy high emission vehicle conversion", the conversion of a legacy high emission vehicle into an electric vehicle.

"Low income taxpayer", a taxpayer whose household income does not exceed 300% of the federal poverty level, as determined by the United States Census Bureau, or who is part of an environmental justice population, as defined in Chapter 8, Section 56, of the Acts of 2021.

AA, SHS
HH

"Neighborhood", a census block group as defined by the United States Census Bureau.

"Plug in hybrid electric vehicle", a vehicle that draws propulsion energy from an on-board electrical energy storage device during operation and that is charged from an external source of electricity, and which also has the capability to run on another fuel.

"Point of sale rebate", a rebate which a low income taxpayer may apply for to reduce the cost of purchasing an eligible electric vehicle, high efficiency heat pump, solar power system, energy storage system or legacy high emission vehicle conversion as allowed under this act.

"Prevailing Wage Law", the Massachusetts Prevailing Wage Law for public works projects, Chapter 149, Sections 26 and 27 of the General Law, that establishes minimum wage rates for workers on public works projects.

"Secretary", the Secretary of the Executive Office of Energy and Environmental Affairs.

"Solar power system", a system for the production of electrical energy that uses sunlight to generate electricity, and is interconnected to an electricity distribution company.

"Surcharge", the zero emission universal service surcharge.

"Vehicle clean trade in value", the clean trade in value or successor values listed for a vehicle in the National Automobile Dealers Association used car guide or other value guides, whether published in print or electronically.

"Vehicle conversion contractor", a repair shop or auto dealer that (i) is hired to perform a legacy high emission vehicle conversion; or (ii) purchases legacy high emission vehicles for the purpose of converting them into electric vehicles and then reselling them; or (iii) purchases legacy high emission vehicles for the purpose of selling them for parts and scrap.

"Zero emission universal service surcharge", a surcharge imposed upon the sale of any eligible home improvement system, eligible electric vehicle or eligible legacy high emission vehicle conversion allowed under this act to a customer who is claiming a tax credit or point of sale rebate allowed under this act.

SECTION 2.

There is hereby established and set up on the books of the commonwealth a separate fund to be known as the Zero Emission Universal Service Fund, hereafter referred to in this section as the fund, to be administered by the Secretary. Any amounts collected from the zero emission universal service surcharge shall be deposited into the fund. The expenditure of revenues from the fund shall be used, subject to appropriation, to provide the point of sale rebates for which low income taxpayers are eligible under this act. If at any time there are more applications from low income taxpayers for point of sale rebates than the fund has monies available to satisfy, those applications will be kept active and, subject

AA, SHS
HH

to appropriation, will be processed in the order they were received once sufficient surcharge revenues are deposited into the fund.

SECTION 3.

A taxpayer who satisfies the requirements of Section 5 of this act and who purchases an eligible electric vehicle from an eligible electric vehicle dealer shall be allowed a credit against the tax liability imposed by Chapter 62 of the General Laws, subject to the limitations set forth in Section 16 of this act, such credit to be in an amount equal to the smallest of (i) \$25,000; (ii) 50% of the purchase price of the electric vehicle; and (iii) 300% of the vehicle clean trade in value of the vehicle that the taxpayer sold to satisfy the requirements of Section 5 of this act.

SECTION 4.

A low income taxpayer who satisfies the requirements of Section 5 of this act and who purchases an eligible electric vehicle shall be eligible to receive a point of sale rebate at the time of purchase, such rebate to be in an amount equal to the smallest of (i) \$25,000; (ii) 50% of the purchase price of the electric vehicle; and (iii) 300% of the vehicle clean trade in value of the vehicle that the taxpayer sold to satisfy the requirements of Section 5 of this act.

SECTION 5.

To qualify for the tax credit or point of sale rebate allowed under Sections 3 and 4 of this act, the taxpayer must own a legacy high emission vehicle, and must sell that vehicle, without removing its internal combustion engine, to an eligible vehicle conversion contractor who must remove and destroy the legacy high emission vehicle's internal combustion engine, unless the legacy high emission vehicle is converted into a plug in hybrid electric vehicle.

SECTION 6.

A taxpayer who satisfies the requirements of Section 8 of this act and who converts a legacy high emission vehicle to an electric vehicle using the services of an eligible vehicle conversion contractor shall be allowed a credit against the tax liability imposed by Chapter 62 of the General Laws, subject to the limitations set forth in Section 16 of this act, such credit to be in an amount equal to the smaller of (i) \$25,000; and (ii) the full price of the conversion.

SECTION 7.

A low income taxpayer who satisfies the requirements of Section 8 of this act and who converts a legacy high emission vehicle to an electric vehicle using the services of an eligible vehicle conversion contractor shall be eligible to receive a point of sale rebate at the time of purchase, such rebate to be in an amount equal to the smaller of (i) \$25,000; and (ii) the full price of the conversion.

AA, SHS
HH

SECTION 8.

To qualify for the tax credit or point of sale rebate allowed under Sections 6 and 7 of this act for the conversion of a legacy high emission vehicle to a battery electric vehicle, the taxpayer must have the conversion done by an eligible vehicle conversion contractor who removes and destroy the legacy high emission vehicle's internal combustion engine.

SECTION 9.

A taxpayer who satisfies the requirements of Section 13 of this act and who purchases an eligible heat pump or eligible solar power system shall be allowed a credit against the tax liability imposed by Chapter 62 of the General Laws, subject to the limitations set forth in Section 16 of this act, such credit to be in an amount equal to the smaller and (i) \$25,000; and (ii) 75% of the purchase price of the heat pump or solar power system.

SECTION 10.

A low income taxpayer who purchases an eligible heat pump or eligible solar power system shall be eligible to receive a point of sale rebate at the time of purchase, such rebate to be in an amount equal to the smaller of (i) \$25,000; and (ii) 75% of the purchase price of the heat pump or solar power system.

SECTION 11.

A taxpayer who (i) satisfies the requirements of Section 13 of this act, (ii) already has a solar power system in their home, and (iii) purchases an eligible energy storage system and has it connected to their solar power system shall be allowed a credit against the tax liability imposed by Chapter 62 of the General Laws, subject to the limitations set forth in Section 16 of this act, such credit to be in an amount equal to the smaller of (i) \$25,000; and (ii) 75% of the purchase price of the energy storage system.

SECTION 12.

A low income taxpayer who (i) already has a solar power system in their home, and (ii) purchases an eligible energy storage system and has it connected to their solar power system shall be eligible to receive a point of sale rebate at the time of purchase, such rebate to be in an amount equal to the smaller of (i) \$25,000; and (ii) 75% of the purchase price of the energy storage system.

SECTION 13.

To qualify for the tax credit allowed under Sections 9 and 11 of this act, hereafter referred to in this section as the tax credit, for the purchase and installation of an eligible home improvement system, the taxpayer must purchase Massachusetts Class 1 Renewable Energy Certificates, hereafter referred to in this section as certificates, that match 100% of the taxpayer's electricity consumption. The taxpayer must begin to purchase certificate no later than the date of purchase of the eligible home improvement system, and must without interruption continue to purchase certificates that match 100% of the

AA, SHS HH

taxpayer's electricity consumption until the end of any tax year in which the taxpayer is claiming the tax credit.

SECTION 14.

At the time of payment for an eligible purchase, the customer shall be charged a zero emission universal service surcharge. The surcharge shall equal to 2% of the full sales price, before any point of sale rebate is applied, of the eligible purchase.

SECTION 15.

A taxpayer who receives a point of sale rebate under this act may not also claim the tax credit allowed under this act for the same purchase.

SECTION 16.

The total credit amount allowable under this act in any taxable year shall be no greater than the amount that, after allowing all other deductions and credits under Chapter 62 of the General Laws, would reduce the tax liability imposed by Chapter 62 to zero for such taxable year. Any taxpayer entitled to a credit under this act but for this section 16 may carry over and apply to such taxpayer's tax liability under Chapter 62 for any subsequent taxable year, not to exceed ten taxable years, the portion of that credit, as reduced from year to year, which was not allowed by the application of this section 16.

Section 17.

The Secretary shall promulgate regulations necessary to administer the provisions of this act, including but not limited to the following: (a) regulations that define procedures for low income taxpayers to apply for and be approved to receive the point of sale rebates available under this act; (b) regulations that define how eligible electric vehicle dealers, eligible home improvement contractors, and eligible vehicle conversion contractors will receive the point of sale rebate payment available under this act; (c) regulations that, in the event that the Zero Emission Universal Service Fund does not have sufficient funds, define procedures for the applications submitted by low income taxpayers for a point of sale rebate to be kept active, and to be approved once funds are available; (d) regulations that define the procedures for eligible electric vehicle dealers, eligible home improvement contractors, and eligible vehicle conversion contractors to collect Zero Emission Universal Service surcharges and transfer them to the Zero Emission Universal Service fund; (e) regulations that define the 10 year 0% financing programs that eligible electric vehicle dealers, eligible home improvement contractors, and eligible vehicle conversion contractors are required to offer; (f) regulations that define procedures for eligible vehicle conversion contractors to document that they destroyed a legacy high emission vehicle's engine as required under Sections 5 and 8 of this act; (g) regulations that define procedures for establishing and enforcing the equivalent private sector prevailing wage rate schedule; (h) regulations for determining the legacy high emission vehicle's clean trade in value; and (i) regulations that define procedures to verify that the taxpayer satisfied the requirements of Section 13 of this act.

AA, SHS HH

SECTION 18.

The Secretary shall establish an advisory council to recommend ways to improve the implementation of this act. Once per year the Secretary shall invite each advisory council member to submit a written report containing suggestions on how the operation of this act may be improved, and shall publish each report on the Internet on or before June 1 of that year. No advisory council member shall be required to submit a report. On or before September 1 of that year, the Secretary shall publish a report on the Internet responding to the suggested improvements contained in each of the council members' reports. For each suggested improvement proposed in each member's report, if the Secretary accepts the suggested improvement, the secretary's report must describe how that improvement will be implemented. If the Secretary declines to adopt the council member's suggested improvement, the Secretary's report must explain the reason for declining.

The council shall include, but at the Secretary's discretion not be limited to, one representative chosen by each of the following legislative committees and organizations: (i) Massachusetts Senate Committee on Global Warming and Climate Change; (ii) Massachusetts House Committee on Global Warming and Climate Change; (iii) International Brotherhood of Electrical Workers; (iv) United Auto Workers; (v) Massachusetts Building Trades Council; (vi) Massachusetts Budget and Policy Center; (vii) Sierra Club; (viii) MassPIRG; (ix) Conservation Law Foundation; (x) New England Clean Energy Council; (xi) Green Energy Consumers Alliance; (xii) Massachusetts Climate Action Network; (xiii) Massachusetts Auto Dealers Association; (xiv) Solar Energy Business Association of New England; (xv) Solar Energy Industries Association; (xvi) Energy for the Future; (xvii) Union of Concerned Scientists; (xviii) Eno Center for Transportation; (xix) Green Energy Consumers Alliance; (xx) Electric Drive Transportation Association; (xxi) Zero Emission Transportation Association; (xxii) American Clean Power Association; (xxiii) Energy Storage Association; (xxiv) Air Conditioning Contractors of America ; (xxv) Plumbing Heating and Cooling Contractors; and (xxvi) Massachusetts Clean Energy Center, provided the representative chosen is not supervised by the Secretary.

SECTION 19.

At the end of each fiscal quarter, the Secretary shall publish on the Internet a spreadsheet listing a breakdown of the revenues deposited into the Zero Emission Universal Service Fund and of the expenditures made from the Zero Emission Universal Service Fund for each Massachusetts neighborhood. The spreadsheet shall include the following data for each Massachusetts neighborhood: (a) a breakdown of the number of taxpayers and the aggregate dollar amount of the surcharges that they paid, under the provisions of this act, to purchase each of the following: (i) an eligible electric vehicle, (ii) an eligible high efficiency heat pump, (iii) an eligible solar energy system, (iv) an eligible energy storage system, (iv) an eligible legacy high emission vehicle conversion; (b) a breakdown of the number of low income taxpayers and the aggregate dollar amount of the point of sale rebates they received, under the provisions of this act, to purchase each of the following: (i) an eligible electric vehicle, (ii) an eligible high efficiency heat pump, (iii) an eligible solar energy system, (iv) an eligible energy storage system, (iv) an eligible legacy high emission vehicle conversion; and (c) a breakdown of

AA, SHS HH

the number of low income taxpayers and the aggregate dollar amount of the point of sale rebates they applied for but did not receive by the end of the quarter, because the Zero Emission Universal Service Fund had insufficient funds, to purchase each of the following: (i) an eligible electric vehicle, (ii) an eligible high efficiency heat pump, (iii) an eligible solar energy system, (iv) an eligible energy storage system, (iv) an eligible legacy high emission vehicle conversion.

SECTION 20.

The provisions of this act shall apply to tax years beginning on and after January 1, 2023

SECTION 21.

The provisions of this law are severable, and if any clause, sentence, paragraph or section of this law or an application thereof shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof but shall be confined in its operation the clause, sentence, paragraph, section or application adjudged invalid and such clause, sentence, paragraph, section or application shall be reformed and construed so that it would be valid to the maximum extent permitted.

Signature Alex Rosenbaum Address 46 Baker Rd Everett MA 02149

Signature Stephanie H. Song Address 11 Linden Place #2 Brookline

Signature Harold Hubschman Address 11 Linden place #2 Brookline

Signature _____ Address _____

Signature _____ Address _____