

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 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.

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"Eligible vehicle conversion contractor", a vehicle conversion contractor that (i) offers a 10 year 0% interest loan sufficient to finance the cost of a legacy high emission vehicle conversion, either through its own finance department or through a bank or lending institution to customers who are eligible for a tax credit 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 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.

"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.

"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.

"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.

SECTION 2.

A taxpayer who satisfies the requirements of Section 3 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 9 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 3 of this act.

SECTION 3.

To qualify for the tax credit allowed under Section 2 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 4.

A taxpayer who satisfies the requirements of Section 5 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 9 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 5.

To qualify for the tax credit allowed under Section 4 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 6.

A taxpayer who satisfies the requirements of Section 8 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 9 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 7.

A taxpayer who (i) satisfies the requirements of Section 8 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 9 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 8.

To qualify for the tax credit allowed under Sections 6 and 7 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 taxpayer's electricity consumption until the end of any tax year in which the taxpayer is claiming the tax credit.

SECTION 9.

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 9 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 9.

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Section 10.

The Secretary shall promulgate regulations necessary to administer the provisions of this act, including but not limited to the following: (a) 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; (b) 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; (c) regulations for determining the legacy high emission vehicle's clean trade in value; (d) regulations that define procedures for establishing and enforcing the equivalent private sector prevailing wage rate schedule; and (e) regulations that define procedures to verify that the taxpayer satisfied the requirements of Section 8 of this act.

SECTION 11.

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 12.

At the end of each fiscal quarter, the Secretary shall publish on the Internet a spreadsheet listing a breakdown of the eligible purchases in each Massachusetts neighborhood. For each Massachusetts

neighborhood, the spreadsheet shall include a breakdown of the number of taxpayers and the aggregate dollar amount that they spent, 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.

SECTION 13.

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

SECTION 14.

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.

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