

225 CMR 26.00 MASSACHUSETTS OFFERS REBATES FOR ELECTRIC VEHICLES (MOR-EV) PROGRAM

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26.01: Purpose

The purpose of 225 CMR 26.00 is to define applicant and vehicle eligibility for the MOR-EV program, establish requirements for Applicants and Participating Dealerships to receive rebates, and incentivize electric vehicle adoption in the Commonwealth.

26.02: Definitions

Applicant. The eligible Individual or entity seeking a rebate or voucher for an eligible MOR-EV incentive. The Applicant may or may not be the same entity as the Vehicle End User. Third parties, such as financing entities or solutions providers, may be qualified to apply for MOR-EV rebates on behalf of Vehicle End Users such as public or municipal fleets. Participating Dealerships and Licensed Dealerships are not considered Applicants.

Battery Electric Vehicle. Any vehicle that solely operates through use of an electric battery. All power and function are derived from the batteries and electric motors; a Battery Electric Vehicle does not produce any engine exhaust carbon emissions and is thereby a Zero Emission Vehicle.

Burdened Area. A Census Block Group, which is subject to an existing unfair or inequitable environmental burden or related health consequence. 225 CMR 26.00 identifies Burdened Areas as those areas that have a MassEnviroScreen Score (MES Score) of 75 or greater (i.e., at or above the 75th percentile, statewide), or an annual median household income of 65 percent or less of the statewide annual median household income.

Cab Card. A registration document issued by a base jurisdiction for a vehicle of an apportioned fleet. The Cab Card identifies the vehicle, registrant, jurisdictions for which the vehicle is apportioned, plate number, the registered weight by jurisdiction, and any other necessary information.

Corporate Fleet. Commercial and nonprofit fleets, which include company-owned vehicles, companies with vans, rental car companies, and companies that provide vehicles to employees instead of paying mileage.

Day. Unless otherwise defined or limited, a day shall mean a calendar day and not a business day. For computing a period of time in these regulations, the last day of the period is to be included unless it is a Saturday, Sunday, or a state legal holiday in which the period runs until the end of the next day which is not a Saturday, Sunday, or state legal holiday.

Department. The Massachusetts Department of Energy Resources (DOER), established by M.G.L. c. 25A.

Entity. Any applicant other than an Individual (such as Corporate Fleets, Public Fleets, Tribal Fleets, etc.) who meet the eligibility requirements in Section 26.05 (1)(a)2.

Fuel Cell Electric Vehicle. A vehicle that generates electricity using oxygen and compressed hydrogen within a fuel cell; a Fuel Cell Electric Vehicle does not produce any engine exhaust carbon emissions and is thereby a Zero Emission Vehicle.

Floor Model or Test Drive Vehicles. Vehicles used as dealership floor models and test drive vehicles are vehicles that have not been registered previously with the Massachusetts Registry of Motor Vehicles or its equivalent in any other state.

Gross Vehicle Weight Rating (GVWR). The maximum safe operating weight or mass of a vehicle as specified by the manufacturer (e.g., on the certificate of origin), including the vehicle's chassis, body, engine, engine fluids, fuel, accessories, driver, passengers, and cargo, but excluding that of any trailers.

Guideline. A set of clarifications, interpretations, and procedures, including forms, developed by the Department to assist in compliance with the requirements of 225 CMR 26.00. The Department may issue new or revised Guidelines from time to time. Each Guideline shall be effective on its date of issuance or on such date as is specified therein, except as otherwise provided in 225 CMR 26.00.

Income-qualified Program. A state or federal program where income has been verified and eligibility has already been determined, such as food and nutrition assistance programs, health care benefits, childcare and elder care financial aid, housing assistance, supplemental income, veterans' programs, and home energy assistance

programs. The Department will provide a list of Income-qualified Programs on the MOR-EV website.

Individual. A person who meets the eligibility requirements in Section 26.05 (1)(a)1.

International Registration Plan (IRP). A registration reciprocity agreement among states of the United States, including Massachusetts, the District of Columbia, and provinces of Canada. IRP is an optional program for licensing commercial vehicles in two or more IRP jurisdictions.

Internal Combustion Engine Vehicle (ICEV). A motor vehicle in which the ignition and combustion of the fuel, typically gasoline or diesel, occurs within the engine itself. This does not include vehicles that have an internal combustion engine combined with a hybrid electric powertrain or plug-in hybrid electric system.

Lease Date. The date upon which the lease agreement has been executed, the vehicle has been registered, and the lessee takes physical possession of the vehicle. If one or more of those activities occur on different dates, the Lease Date shall be the date upon which all three activities have occurred.

Licensed Dealership. A Class I or Class II vehicle dealer with a valid auto dealers license according to M.G.L. c. 140, § 58, or, for dealerships outside the Commonwealth, a dealer with valid equivalent licensure according to the appropriate agency or authority in any other jurisdiction.

Light-duty Vehicle. A passenger car, minivan, or other vehicle that is 8,500 pounds GVWR or less, excluding pickup trucks 6,000 pounds GVWR or greater.

Manufacturer Suggested Retail Price (MSRP). The recommended sale price that is determined by the vehicle's manufacturer.

Market Value. A monetary value greater than zero dollars at which a vehicle would transfer ownership between a Licensed Dealership and an eligible Applicant.

Massachusetts Offers Rebates for Electric Vehicles (MOR-EV) Program. The rebate program established pursuant to 225 CMR 26.00.

Massachusetts Vehicle Inspection. A vehicle inspection meeting the applicable requirements for initial or subsequent annual inspection as outlined in 540 CMR 4.00 pursuant to the authority of M.G.L. c. 90, § 31.

Medium- and Heavy-duty Vehicle. A vehicle that is 10,001 pounds GVWR or greater.

Model Year. The year used to designate a discrete vehicle model a discrete vehicle model, as identified in the vehicles VIN.

Modified Adjusted Gross Income. Shall have the same meaning as Adjusted Gross Income as defined by Section 62 of the Internal Revenue Code increased by any amount excluded from gross income under Sections 911, 931, or 933 of the Internal Revenue Code.

MOR-EV Terms and Conditions. An agreement detailing requirements for the MOR-EV program that an Applicant and Vehicle End User must acknowledge and sign in order to receive a rebate.

New Vehicle. A motor vehicle, as defined by M.G.L. c. 90, § 1, constructed of new parts, that has never been the subject of a Retail Sale, and has never been registered with the Massachusetts Registry of Motor Vehicles or with the appropriate agency or authority in any other jurisdiction. This also includes all-electric upfits of new vehicles that result in a Qualifying Zero Emission Vehicle.

Ownership Period. The period that an Individual or Entity is financially responsible for a New Vehicle or Used Vehicle. For the purposes of the MOR-EV Program, this period must encompass a minimum of 36 consecutive months beginning immediately after the vehicle purchase or lease for New Vehicles or Used Vehicles up to 10,000 pounds GVWR, and 48 months for New Vehicles or Used Vehicles 10,001 pounds GVWR and above.

Participating Dealership. A licensed New or Used Vehicle dealership that is enrolled in the MOR-EV Program for the purposes of participating in the Point-of-sale rebate.

Point-of-sale (POS). The time and place the sales or lease transaction takes place.

Pre-qualification Voucher. An official document issued by the Program Administrator that serves as proof of eligibility for the MOR-EV+ low-income rebate adder and used Light-duty Vehicle programs, to be redeemed at a Participating Dealership to claim rebate(s) at the Point-of-sale.

Program Administrator. The Program Administrator for 225 CMR 26.00 that has been contracted and legally authorized by the Department to administer the MOR-EV rebate programs and related processes.

Program Pause. A period during which Qualifying Zero Emission Vehicles purchased or leased are not eligible for one or more rebate programs.

Public Fleets. Fleets owned or leased by government entities, including but not limited to national, regional, state, and local authorities, as well as public institutions, state-owned enterprises, and federally recognized and state acknowledged tribes.

Purchase Date. The date upon which the purchase and sales agreement has been executed, the vehicle has been registered, and the owner takes physical possession of

the vehicle. If one or more of those activities occur on different dates, the Purchase Date shall be the date upon which all three activities have occurred.

Purchase Price. The final purchase price, or gross capitalized cost for a lease, of the Used Vehicle minus registration fees, documentation fees, or sales and use taxes.

Qualifying Zero Emission Vehicle. A New Vehicle or Used Vehicle:

- (a) that is a Zero Emission Vehicle;
- (b) that has been manufactured primarily for use on public streets, roads and highways;
- (c) that is registered within the Commonwealth;
- (d) whose purchaser's or lessee's primary residence or business location is within the Commonwealth; and
- (e) whose purchaser or lessee files proof of primary residency and each qualifying vehicle's registration within the Commonwealth not later than 90 days after purchase. Applicable vehicle types must also be certified by the California Air Resources Board (CARB) as required by Massachusetts 310 CMR 7.40: *Low Emission Vehicle (LEV) Program*.

Rebate Reservation Voucher. For the MOR-EV Medium- and Heavy-duty Vehicle Rebates, an official document or other such certification as defined by the Department and issued by the Program Administrator that demonstrates an Applicant intends to order an eligible vehicle over 10,000 pounds GVWR. A Rebate Reservation Voucher must be applied for and approved prior to taking delivery of an eligible vehicle and is redeemed upon submitting application documentation to request a rebate within 90 days of taking delivery of said vehicle.

Registration Period. The period that a Vehicle End User must maintain registration with the Massachusetts Registry of Motor Vehicles for a Qualifying Zero Emission Vehicle. For Qualifying Zero Emission Vehicles up to 10,000 pounds GVWR, this period is not less than 36 consecutive months beginning immediately after the vehicle purchase or lease. For Qualifying Zero Emission Vehicles greater than or equal to 10,001 pounds GVWR, this period is not less than 48 months beginning immediately after the vehicle purchase or lease.

Retail Establishment. Shall have the same meaning as set forth in 830 CMR 64H.6.1.

Retail Sale. A vehicle transaction conducted through a Retail Establishment. Private party sales, including consignment type sales and sales through payment or transaction service providers, are not considered Retail Sales for the purposes of MOR-EV.

Rollback Vehicle. A "rollback" occurs when a buyer purchases or leases a vehicle then returns it shortly after purchase, or when a buyer's financing is disapproved.

Sales Price. The total manufacturer suggested retail price (MSRP) at the time of sale or lease, which includes different pre-packaged groups of features and destination

charges for a particular New Vehicle, and excludes registration fees, documentation fees, or sales and use taxes. For Qualifying Zero Emission Vehicle conversions, the Sales Price must include the total MSRP plus the total cost of the all-electric upfit.

Tax Return Transcript. An official document from the Internal Revenue Service that shows most line items from an Individual's original Form 1040-series tax return as filed, along with any forms and schedules.

Trade-in Vehicle. An Internal Combustion Engine Vehicle (ICEV) that meets the MOR-EV Program requirements and that is transferred to a Licensed Dealership for credit toward the price of the Qualifying Zero Emission Vehicle being purchased or leased.

Tribal Fleets. A fleet of one or more vehicles that is owned or managed by a federally recognized or state acknowledged tribe.

Unwind Vehicle. An "unwind" occurs when vehicle registration is completed, but the sale was not consummated, and the buyer never took delivery.

Used Clean Vehicle Credit. A federal tax credit for buying a previously owned, qualified electric vehicle, including cars and light trucks, under 26 U.S.C. § 25E.

Used Vehicle. A motor vehicle, as defined by M.G.L. c. 90, § 1, which has been previously and separately registered with the Massachusetts Registry of Motor Vehicles or with the appropriate agency or authority in any other jurisdiction and is eligible for Retail Sale to another party. Vehicles will be listed as "used" on the motor vehicle purchase or lease agreement. For the purposes of the MOR-EV Program, the vehicle cannot have been purchased new or used within the previous twenty-four (24) months or leased for a period of less than 36 months. This also includes all-electric retrofits of Used Vehicles that are at least 2 years old and that result in a Qualifying Zero Emission Vehicle; leased vehicle buybacks for Qualifying Zero Emission Vehicles; and Qualifying Zero Emission Vehicles with rebuildable salvage titles.

Vehicle End User. The Individual or Entity that operates an eligible vehicle. This may be the owner of the vehicle or a different Individual or Entity under a lease agreement.

Zero Emission Vehicle (ZEV). A motor vehicle that produces no engine exhaust carbon emissions.

26.03: Administration

225 CMR 26.00 shall be administered by the Department.

26.04: Applicability

225 CMR 26.00 applies to Individuals, Corporate Fleets, Public Fleets, and Tribal Fleets, Vehicle End Users, dealerships, and other entities that participate in the MOR-EV Program.

26.05: Eligibility

(1) General Eligibility Criteria. An Applicant may qualify for a MOR-EV voucher or rebate subject to the limitations in 225 CMR 26.05.

(a) Residency. The Applicant shall provide appropriate proof of residency for Massachusetts.

1. If applying as an Individual, an Applicant shall provide a copy of a valid Massachusetts driver's license at the time of purchase or lease and at the time of application submission or other valid form of proof of Massachusetts residency as approved by the Department and collected by the Program Administrator.

2. If applying as an eligible Entity other than an Individual, such as a Corporate Fleet, Public Fleet, Tribal Fleet, or other eligible type, an Applicant shall provide a copy of a local business license, articles of incorporation, or other formation document filed with the Massachusetts Secretary of State. Other forms of documentation to establish Massachusetts residency, such as a written attestation, may be accepted by the Department on a case-by-case basis.

3. If the Applicant is an interstate carrier registered under the International Registration Plan (IRP), Massachusetts must be listed on the Cab Card.

(b) Ownership. Applicants and Vehicle End Users must agree to the Ownership Period requirements as set out in the MOR-EV Program, including a minimum of 36 consecutive months beginning immediately after the vehicle purchase or lease for New or Used Vehicles up to 10,000 pounds GVWR, and 48 months for New or Used Vehicles 10,001 pounds GVWR and above. If the Applicant or Vehicle End User are found to be in breach of this requirement, the Department may require the return of some or all of the rebate funds or may disqualify the Applicant or Vehicle End User from additional participation in the MOR-EV Program. Additional actions may be taken at the Department's discretion. *See* 225 CMR 26.10 for information on appeals and exemptions.

(c) Registration. Applicants and Vehicle End Users must comply with the Registration Period requirements as set out in the MOR-EV Program, including a minimum of 36 consecutive months beginning immediately after the vehicle purchase or lease for New or Used Vehicles up to 10,000 pounds GVWR, and 48 months for New or Used Vehicles 10,001 pounds GVWR and above. If the Applicant or Vehicle End User are found to be in breach of this requirement, the Department may take the following corrective actions:

1. Require the Applicant or Vehicle End User to return all rebate funds, or a portion of the rebate funds as specified by the Department;
2. Disqualify the Applicant or Vehicle End User from additional participation in the MOR-EV Program; and

26.06: Light-duty Vehicle Rebates

(1) New Light-duty Vehicle Rebate.

(a) Applicant Eligibility. Individuals and Corporate Fleets are eligible for new Light-duty Vehicle rebates. Individuals may not receive rebates for more than two eligible vehicles in any three-year period. An eligible Applicant may combine this rebate with the MOR-EV+ low-income rebate adder under 225 CMR 26.08(1).

(b) Vehicle Eligibility.

1. Eligible vehicles must meet the following criteria:
 - a. New Vehicle, Floor Model, or Test Drive Vehicle;
 - b. Qualifying Zero Emission Vehicle that is a new Light-duty Vehicle; and
 - c. Have a Sales Price of \$50,000 or less.
2. Floor Model, Test Drive, Unwind, and Rollback vehicles will be assessed on a case-by-case basis. Vehicles determined by the Program Administrator to be unrebated Rollback or Unwind Vehicles will be eligible under 225 CMR 26.06.

(c) Rebate Amount. A new Light-Duty Vehicle that meets the requirements of 225 CMR 26.06(1)(b) shall be eligible for a rebate amount no less than \$3,500 and no more than \$5,000. The initial rebate amount shall be \$3,500.

(d) Availability of Rebate. The rebate is available through post-purchase rebate or POS. Post-purchase rebates must be claimed within 90 calendar days after Purchase Date or Lease Date.

(2) ICEV Trade-in Vehicle Rebate.

(a) Applicant Eligibility. Individuals who have received a MOR-EV New Light-Duty Vehicle Rebate or a MOR-EV Used Light-Duty Vehicle Rebate are eligible for ICEV Trade-in Vehicle rebates. Eligible Applicants may combine this rebate with the MOR-EV+ low-income rebate adder under 225 CMR 26.08(1).

(b) Trade-in Vehicle Eligibility. An ICEV must be traded in at a Licensed Dealership for a Qualifying Zero Emission Vehicle on or after August 8, 2023. To receive an ICEV Trade-in Vehicle Rebate, Applicants must apply on or after December 6, 2023. The ICEV must have Market Value, be 8,500 pounds GVWR

or less, be at least twelve (12) years old, based on the Model Year, at the time of trade-in, and have been registered in the Commonwealth to the Applicant or a member of the Applicant's immediate family for at least two years prior to the date of trade-in. The ICEV must have been up to date on its yearly Massachusetts Vehicle Inspection and have passed said inspection within one year of the trade-in.

(c) Rebate Amount. An ICEV Trade-In Vehicle that meets the requirements of 225 CMR 26.06(2)(b) shall be eligible for a rebate of \$1,000, which does not include the rebate for a Qualifying Zero Emission Vehicle purchase or lease, provided that the total rebate amount does not exceed \$6,000. The Applicant shall apply for the additional ICEV trade-in rebate after purchase or lease, regardless of how the standard rebate was issued for a Qualifying Zero Emission Vehicle.

(d) Availability of Rebate. The Qualifying Zero Emission Vehicle is eligible for post-purchase rebate 90 calendar days after trade-in of an eligible ICEV that meets the requirements of 225 CMR 26.06(2)(b) to a Licensed Dealership.

(e) Program Budget. On an annual basis, the Department shall make publicly available the projected total MOR-EV Light-duty Vehicle rebate spend and associated maximum budget for this program and will not grant rebates beyond that amount. At no point will the ICEV Trade-in Vehicle rebate program budget exceed 1% of the total dollar value of MOR-EV Light-duty Vehicle rebates projected to be provided pursuant to M.G.L. c. 25A, § 19 within a given fiscal year.

(3) Used Light-duty Vehicle Rebate.

(a) Applicant Eligibility. Massachusetts residents who are participating in one or more Income-qualified Programs or who meet the applicable Modified Adjusted Gross Income threshold at the time of vehicle purchase or lease are eligible for Used Light-Duty Vehicle rebates. Corporate Fleets are not eligible. Public Fleets and Tribal Fleets are eligible but do not have to prove income eligibility criteria to receive the Used Light-Duty Vehicle rebate. Individuals may not receive rebates for more than two eligible vehicles in any three-year period. An Applicant may combine this rebate with the MOR-EV+ low-income rebate adder under 225 CMR 26.08(1).

(b) Vehicle Eligibility. A used Light-duty Vehicle must be a Used Vehicle that is also a Qualifying Zero Emission Vehicle, and has a Purchase Price of \$35,000 or less.

(c) Rebate Amount. A used Light-Duty Vehicle that meets the requirements of 225 CMR 26.06(3)(b) shall be eligible for a rebate amount no less than \$3,500 and no more than \$5,000 per used Light-Duty Vehicle. The initial rebate amount shall be \$3,500. The rebate value or combined rebate value of one or more MOR-EV rebates, or one or more MOR-EV rebates combined with any other incentive or rebate for

the purchase of a Battery Electric Vehicle, shall not exceed the value of the purchase price of the vehicle. Should the value of all rebates for which the Applicant is eligible total more than the purchase price of the vehicle, the Applicant shall be entitled to a rebate equal to the vehicle purchase price. Rebate amounts may not exceed the purchase price of the vehicle in any circumstance.

(d) Availability of Rebate. The rebate is available through post-purchase rebate or POS. Post-purchase rebates must be claimed within 90 calendar days after Purchase Date or Lease Date.

(e) Pre-qualification Voucher. If purchasing from a Participating Dealership, Applicants seeking to take advantage of the used Light-duty Vehicle rebate at the POS must submit supporting documentation to the Program Administrator to request a Pre-qualification Voucher. Pre-qualification Vouchers are valid for six months from date of issue unless extended by the Department at its discretion as the result of a Program Pause as outlined in 225 CMR 26.10(e). Supporting documentation must include either:

1. Participation in Income-qualified Program: Documentation that an Applicant is participating in an Income-qualified Program must contain the Applicant's name, the name of the Income-qualified Program, the government entity (state, federal, or federally recognized or state acknowledged tribes) or the managed care organization that issued the document, and the issue date. Unless otherwise indicated on the MOR-EV website, the supporting documentation must be dated within the last 12 months or have a future expiration date beyond the date of the MOR-EV+ low-income adder application. Applicants may alternatively submit supporting documentation to request the rebate adder following the date of purchase or lease; or

2. Modified Adjusted Gross Income threshold: Supporting documentation for Modified Adjusted Gross Income verification should be a Tax Return Transcript for the Applicant from the year the vehicle is purchased or leased. If the Tax Return Transcript for that year is not available, the Tax Return Transcript from the previous year will be accepted. In some cases, additional documentation beyond a Tax Return Transcript may be required and the Program Administrator will work directly with Applicants accordingly. On a case-by-case basis, DOER may accept two-year old transcripts if the 90-day application window does not align with the current or previous tax year. When a Tax Return Transcript is not available, similar suitable documentation may be accepted as alternative Modified Adjusted Gross Income verification; Applicants are directed to contact the Program Administrator to determine next steps.

- a. Applicants must meet the following income thresholds:

- i. Joint return or surviving spouse as defined by 26 U.S. Code § 2: \$150,000;

- ii. Head of household as defined by 26 U.S. Code § 2: \$112,500;
or
- iii. Individual filer or taxpayer not described in (i) or (ii) above:
\$75,000.

26.07: MOR-EV Trucks and Medium- and Heavy-duty Vehicle Rebates

(1) New Pickup Truck Rebates (MOR-EV Trucks).

(a) Applicant Eligibility. Individuals, Corporate Fleets, Public Fleets, Tribal Fleets, and other eligible entities are eligible for the MOR-EV Trucks Rebate. An Applicant may combine this rebate with the MOR-EV+ low-income rebate adder under 225 CMR 26.08(1). Individuals may receive rebates for no more than two eligible vehicles in any three-year period.

(b) Vehicle Eligibility. A New Vehicle, Floor Model, or Test Drive Vehicle that is also a Qualifying Zero Emission Vehicle that:

1. is either a pickup truck that is between 6,000 and 10,000 pounds GVWR or a vehicle of any other body type between 8,501 and 10,000 pounds GVWR;
and
2. has a Sales Price that is \$80,000 or less.

Floor Model, Test Drive, Unwind, and Rollback vehicles will be assessed on a case-by-case basis. Vehicles determined by the Program Administrator to be unrebated Rollback or Unwind Vehicles will be eligible under 225 CMR 26.07.

(c) Rebate Amount. A vehicle that meets the requirements of 225 CMR 26.07(1)(b) shall be eligible for a rebate amount no less than \$4,500 and no more than \$7,500 per eligible vehicle. The initial rebate amount for Individuals shall be \$4,500 per vehicle. The Individual rebate amount for Corporate Fleets, Public Fleets, and other eligible entities shall be \$7,500 per vehicle.

(d) Availability of Rebate. The rebate is available through a post-purchase rebate application in a manner or form to be prescribed by the Department. Post-purchase rebates must be claimed within 90 calendar days after Purchase Date or Lease Date.

(e) Restrictions on Combining Funding. MOR-EV rebates may be combined with other state and federal EV rebate or grant programs unless such combination is prohibited by such programs. In no instance may an applicant receive more than 100% cost coverage of the Sales Price of an eligible MOR-EV Trucks Vehicle when combining a MOR-EV rebate or MOR-EV rebate adders with any other federal or state rebates/grants.

(2) Used Pickup Truck Rebates.

(a) Applicant Eligibility. Individuals participating in one or more Income-qualified Programs or who meet the applicable Modified Adjusted Gross Income threshold at the time of vehicle purchase or lease. Corporate Fleets are not eligible. Public Fleets and Tribal Fleets are eligible but do not have to prove income eligibility criteria to receive the Used Pick Up Truck rebate. Individuals may not receive rebates for more than two eligible vehicles in any three-year period. An Applicant may combine this rebate with the MOR-EV+ low-income rebate adder under 225 CMR 26.08(1). Applicants must provide supporting documentation to prove eligibility. Such documentation must be:

1. Participation in Income-qualified Program: Documentation that an Applicant is participating in an Income-qualified Program must contain the Applicant's name, the name of the Income-qualified Program, the government entity (state, federal, or federally recognized or state acknowledged tribes) or the managed care organization that issued the document, and the issue date. Unless otherwise indicated on the MOR-EV website, the supporting documentation must be dated within the last 12 months or have a future expiration date beyond the date of the MOR-EV+ low-income adder application. Applicants may alternatively submit supporting documentation to request the rebate adder following the date of purchase or lease; or
2. Modified Adjusted Gross Income threshold: Supporting documentation for Modified Adjusted Gross Income verification should be an Tax Return Transcript for the Applicant from the year the vehicle is purchased or leased. If the Tax Return Transcript for that year is not available, the Tax Return Transcript from the previous year will be accepted. In some cases, additional documentation beyond a Tax Return Transcript may be required and the Program Administrator will work directly with Applicants accordingly. On a case-by-case basis, DOER may accept two-year old transcripts if the 90-day application window does not align with the current or previous tax year. When a Tax Return Transcript is not available, similar suitable documentation may be accepted as alternative Modified Adjusted Gross Income verification; Applicants are directed to contact the Program Administrator to determine next steps.
 - a. Applicants must meet the following income thresholds:
 - i. Joint return or surviving spouse as defined by 26 U.S. Code § 2: \$150,000;

- ii. Head of household as defined by 26 U.S. Code § 2: \$112,500; or
- iii. Individual filer or taxpayer not described in (i) or (ii) above: \$75,000

(b) Vehicle Eligibility. A Used Vehicle that is a Qualifying Zero Emission Vehicle and has a Purchase Price of \$55,000 or less, and is either

- 1. a pickup truck that is between 6,000 and 10,000 pounds GVWR; or
- 2. a vehicle of any other body type between 8,501 and 10,000 pounds GVWR.

(c) Rebate Amount. A Used Vehicle that is a Qualifying Zero Emission Vehicle and meets the requirements of this section shall be eligible for a rebate amount of up to \$4,500. The initial rebate amount shall be \$4,500. The rebate value or combined rebate value of one or more MOR-EV rebates, or one or more MOR-EV rebates combined with any other incentive or rebate for the purchase of a Battery Electric Vehicle, shall not exceed the value of the purchase price of the vehicle. Should the value of all rebates for which the Applicant is eligible total more than the purchase price of the vehicle, the Applicant shall be entitled to a rebate equal to the vehicle purchase price. Rebate amounts may not exceed the purchase price of the vehicle in any circumstance.

(d) Availability of Rebate. The rebate is available through post-purchase rebate. Post-purchase rebates must be claimed within 90 calendar days after purchase or lease date.

(3) New Medium- and Heavy-Duty Vehicles.

(a) Applicant Eligibility. Individuals, Corporate Fleets, Public Fleets, Tribal Fleets, and other eligible entities are eligible for MOR-EV Medium- and Heavy-duty Vehicle Rebates. Individuals may not receive rebates for more than two eligible vehicles in any three-year period. An Applicant may combine this rebate with the Environmental Justice Rebate Adder under 225 CMR 26.08(2). Recipients of Medium- and Heavy-duty Rebates will be subject to a data provision requirement, which shall require reporting to the Department the vehicle miles traveled during the first year of operation, at a minimum, to inform future programs and policies.

(b) Vehicle Eligibility. A New Vehicle that is also a Qualifying Zero Emission Medium- or Heavy-duty Vehicle and meets the applicable Sales Price cap based on GVWR:

- 1. 10,001-14,000 pounds GVWR (Class 3): Must have a Sales Price of \$100,000 or less.
- 2. 14,001-26,000 pounds GVWR (Class 4, Class 5, and Class 6): Must have a Sales Price of \$500,000 or less.

3. 26,001 pounds or greater GVWR (Class 7 and Class 8): Must have a Sales Price of \$2,000,000 or less.

(c) Rebate Amount. The rebate amount will vary depending on GVWR and Applicant type, with a minimum amount of \$4,500.

1. For Individuals, the rebate amount shall be \$7,500 for all Qualifying Zero Emission Vehicles 10,001 pounds or greater GVWR.
2. For Corporate Fleets, Public Fleets, Tribal Fleets and other eligible entities, the rebate amount shall be \$15,000 for all Qualifying Zero Emission Vehicles 10,001 pounds – 14,000 pounds GVWR.
3. For Corporate Fleets, Public Fleets, Tribal Fleets and other eligible entities with Qualifying Zero Emission Vehicles 14,001 – 26,001 pounds or greater GVWR, rebates will follow a declining value as blocks are exhausted, with incentives per GVWR further detailed in 225 CMR 26.07(2)(e).

(d) Availability of Rebate. Rebates for Qualifying Zero Emission Vehicles 10,001-14,000 pounds GVWR (i.e., Class 3 rebates) are available through a post-purchase rebate application in a manner or form to be prescribed by the Department. Post-purchase rebates must be applied for within 90 calendar days after purchase or lease date.

Rebates for Qualifying Zero Emission Vehicles 14,001 – 26,001 pounds or greater GVWR (i.e., Class 4 through Class 8) are available through a two-stage process:

1. Applicants must request and receive an approved Rebate Reservation Voucher prior to seeking a post-purchase rebate. Approved Rebate Reservation Vouchers will be provided by the Department.
2. Once issued, the Rebate Reservation Voucher must be redeemed (*i.e.*, submitted along with other documentation to request a post-purchase rebate) within 12 months of the issue date, with one optional 12-month voucher extension. An additional extension may be granted for demonstrated good cause. Extension requests to be submitted through the Program Administrator and approved by the Department. A voucher that is not extended or redeemed within 12 months will be deemed expired, will be canceled, and that voucher number retired. The vehicle is eligible for a post-purchase rebate for up to 90 calendar days after Applicant has taken delivery of vehicle.

(e) Rebate Blocks. Rebates for Corporate Fleets, Public Fleets, Tribal Fleets, and other eligible entities with Qualifying Zero Emission Vehicles 14,001 – 26,001 pounds or greater GVWR follow a declining block incentive structure. There will be three blocks, with a minimum number of 200 rebates per block. The Department shall publish the remaining number of rebates available in a given block and the

corresponding rebate amounts for that block. The respective incentive values decline as each block of rebates is claimed.

The rebate amount per GVWR for Corporate Fleets, Public Fleets, Tribal Fleets and other eligible entities shall be established as follows:

Vehicle Class	GVWR (lbs.)	Initial Incentive Amount: For Corporate Fleets, Public Fleets, Tribal Fleets and other eligible entities
4	14,001–16,000	\$30,000
5	16,001–19,500	\$45,000
6	19,501–26,000	\$60,000
7	26,001–33,000	\$75,000
8	33,001+	\$90,000

1. Incentive values will decline by a maximum of 30% following each full block.

2. Vehicle End Users may only reserve a maximum of 10% of an available rebate block; subsequent rebates to that end user will be at the subsequent block value regardless of if the previous block is filled.

(f) Restrictions on Combining Funding. MOR-EV rebates may be combined with other state and federal EV rebate or grant programs unless such combination is prohibited by such programs. In no instance may an applicant receive more than 100% cost coverage of the Sales Price of an eligible MOR-EV Trucks Vehicle when combining a MOR-EV rebate or MOR-EV rebate adders with any other federal or state rebates or grants.

(g) Limited Retroactive Post Purchase Applications for Qualifying Zero Emission Vehicles 10,001–14,000 pounds GVWR. Applicants that purchased or leased Qualifying Zero Emission Vehicles of 10,001–14,000 pounds GVWR between August 8, 2023, and (DATE TO BE ASSIGNED), and applied for a rebate but were deemed ineligible for a rebate because delivery of the vehicle was taken before requesting and receiving an approved Rebate Reservation Voucher, are eligible to retroactively apply for the post-purchase rebate for up to 45 days after (DATE TO BE ASSIGNED). These limited retroactive rebates will follow the values established in Section 26.07(2)(c). Applications for retroactive rebates will be reviewed on a case-by-case basis.

26.08: Rebate Adders

(1) MOR-EV+ (MOR-EV Plus) Low-income Rebate Adder.

(a) Applicant Eligibility. Massachusetts residents who are participating in specific state or federal Income-qualified Programs or who meet the applicable Modified Adjusted Gross Income threshold at the time of vehicle purchase or lease and provide supporting documentation. Corporate Fleets, Public Fleets, and Tribal Fleets are not eligible.

(b) Vehicle Eligibility. All Qualifying Zero Emission Vehicles 10,000 pounds GVWR or less are eligible for the Low-income Rebate Adder. The Applicant must be seeking the standard rebate for a New Vehicle or Used Vehicle that is eligible for the Low-income Rebate Adder and the New Vehicle or Used Vehicle must meet the applicable eligibility requirements.

(c) Rebate Adder Amount. The rebate adder shall be equal to \$1,500.

(d) Rebate Adder Availability. The rebate adder is available through a post-purchase rebate or at POS with a Pre-qualification Voucher. Post-purchase rebate adders must be claimed within 90 calendar days after purchase or lease date.

(e) Pre-qualification Voucher. If purchasing from a Participating Dealership, Applicants seeking to claim the Low-income Rebate Adder at the POS must submit supporting documentation to the Program Administrator to request a Pre-qualification Voucher. Pre-qualification Vouchers are valid for six months from date of issue unless extended by the Department as the result of Program Pause as outlined in 225 CMR 26.10(e). Supporting documentation must include either:

1. Participation in Income-qualified Program: Documentation that an Applicant is participating in an Income-qualified Program must contain the Applicant's name, the name of the Income-qualified Program, the government entity (state, federal, or federally recognized or state acknowledged tribes) or the managed care organization that issued the document, and the issue date. Unless otherwise indicated on the MOR-EV website, the supporting documentation must be dated within the last 12 months or have a future expiration date beyond the date of the MOR-EV+ Low-income Rebate Adder application. Applicants may alternatively submit supporting documentation to request the rebate adder following the date of purchase or lease; or

2. Modified Adjusted Gross Income Threshold: Supporting documentation for Modified Adjusted Gross Income verification should be a Tax Return Transcript for the Applicant from the year the vehicle is purchased or leased. If the Tax Return Transcript for that year is not available, the Tax Return Transcript from the previous year will be accepted. In some cases, additional documentation beyond a Tax Return Transcript may be required and the

Program Administrator will work directly with Applicants accordingly. On a case-by-case basis, DOER may accept two-year old transcripts if the 90-day application window does not align with the current or previous tax year. When a Tax Return Transcript is not available, similar suitable documentation may be accepted as alternative Modified Adjusted Gross Income verification; Applicants are directed to contact the Program Administrator to determine next steps.

- a. Applicants must meet the following income thresholds:
 - i. Joint return or surviving spouse as defined by 26 U.S. Code § 2: \$150,000;
 - ii. Head of household as defined by 26 U.S. Code § 2: \$112,500; or
 - iii. Individual filer or taxpayer not described in (i) or (ii) above: \$75,000.

(f) Culturally Competent Outreach. The Department shall establish a culturally competent outreach program to ensure that MOR-EV rebates are effectively communicated to all residents of the Commonwealth, particularly Burdened Areas, and allow for regular feedback on the design and implementation of the program. The Department will collaborate with a network of stakeholders and community-based organizations across the Commonwealth to develop and deliver culturally competent outreach, including but not limited to internal and external stakeholders focused on environmental justice.

(2) Environmental Justice Rebate Adder.

(a) Applicant Eligibility. Individuals, Corporate Fleets, Public Fleets, Tribal Fleets, and other eligible entities that are registered in or operating in a Burdened Area are eligible for the adder. The Applicant shall provide information demonstrating registration location or that the Vehicle End User operates the vehicle in a Burdened Area at least 50% of the time in a manner and form to be established by the Department.

(b) Vehicle Eligibility. All Qualifying Zero Emission Vehicles 10,001 pounds GVWR or greater that meet the program requirements of the New Medium- and Heavy-duty Vehicles Rebates are eligible for the adder. The Applicant must be seeking the standard rebate for a New Medium- and Heavy-duty Vehicle that is eligible for the Environmental Justice Rebate Adder and the vehicle must meet the applicable eligibility requirements.

(c) Rebate Adder Amount. Rebate adder amount is equal to 10% of the total rebate value.

(d) Rebate Adder Availability. The vehicle is eligible for a post-purchase rebate adder 90 calendar days after purchase or lease date.

26.09: Program Administrator and Website

- (1) A third-party Program Administrator will be responsible for providing some or all of the following services:
 - (a) receiving MOR-EV rebate and rebate adder applications, application review and verification processes, and appeals process management;
 - (b) establishing a culturally competent outreach campaign;
 - (c) rebate payment processing and payment issuance to consumer, dealerships, and other Applicants; and
 - (d) any other duties prescribed in a request for proposals.
- (2) The Department shall maintain a website for the MOR-EV program at www.mor-ev.org, including on the website appropriate Guidelines and updated program information.

26.10: Applications, Exemptions, and Appeals

- (1) Post-purchase Rebate and Voucher Application Process. A post-purchase rebate application for a rebate, an application for a Pre-qualification Voucher, or an application for a Rebate Reservation Voucher shall be submitted to the Department by the Applicant. The Applicant must use the most current forms and associated instructions provided by the Department, and must include all information, documentation, and assurances required by such forms, instructions, and terms and conditions.
- (2) Point-of-sale Rebate Application Process. Participating Dealerships will offer some rebates or rebate adders to be provided at POS. An Applicant must purchase or lease from a Participating Dealership and meet all of the eligibility requirements listed for that vehicle type, including providing documentation to verify eligibility. Applicants may also be required to sign or agree to additional MOR-EV Terms and Conditions.
- (3) Participating Dealership Application Process.
 - (a) Licensed dealerships in Massachusetts will apply with the Program Administrator and shall sign a Participating Dealership agreement prior to being enrolled in the POS program. Additional documentation or review may be required at the Department or Program Administrator's discretion.
 - (b) Participating Dealerships will create an account with the Program Administrator and will be added to a list of Participating Dealerships on the MOR-EV website (www.mor-ev.org).
 - (c) Participating Dealerships shall keep the information provided to the Program Administrator up to date and comply with any requests for maintaining the

dealership's participation or verification of information related to rebates or Pre-qualification Vouchers associated with the MOR-EV Program.

(d) Participating Dealerships shall ensure that documentation clearly indicates the MOR-EV rebates or vouchers included at POS and the amount(s).

(e) Participating Dealerships shall offer POS rebates for new eligible ZEVs if a dealership is selling or leasing New Vehicles, shall offer MOR-EV+ rebate adders with valid Pre-qualification Voucher at POS for any Participating Dealership, and offer used EV rebates with valid Pre-qualification Voucher at POS if a dealership sells Used Vehicles.

(f) Participating Dealerships shall submit requests for reimbursement to the Program Administrator within 30 calendar days of purchase or lease date.

(4) Review Procedures.

(a) For post-purchase rebates or vouchers, the Department or Program Administrator will notify the Applicant when the application is administratively complete or if additional information is required.

(b) For POS rebates, the Participating Dealership will determine that the customer is eligible to receive a MOR-EV rebate. After issuing the rebate at the POS, the Participating Dealership will submit a copy of the customer's driver's license, purchase or lease agreement, vehicle registration, a rebate transfer or rebate assignment form, and any other necessary documentation for the Program Administrator to review. The Program Administrator will review the documentation and notify the dealership if the reimbursement is approved, denied, or if additional information is required.

(5) Issuance or Non-issuance of a Rebate or Voucher.

(a) If the Department or Program Administrator find that an Applicant meets the requirements for eligibility for a rebate or voucher pursuant to 225 CMR 26.00, the Department or Program Administrator will provide the Applicant a rebate or voucher.

(b) The associated forms and terms and conditions shall include any applicable restrictions and conditions that the Department deems necessary to ensure compliance by an Applicant with the provisions of 225 CMR 26.00.

(c) If the Applicant does not meet the requirements for eligibility, the Department or Program Administrator shall provide written notice to the Applicant, including the reasons for such finding.

(d) If the Department does not have sufficient funding for rebates in the Electric Vehicle Adoption Incentive Trust Fund or other designated sources to support any one or more MOR-EV rebate offerings, the Department will provide at least 30 days' notice.

(e) The Department may institute a Program Pause for one or more MOR-EV rebate offering, subject to availability of future funds, and the effective date of said Program Pause. The Department shall provide not less than 30 days public notice of an upcoming Program Pause in a manner to be determined by the Department. That notice shall provide information about the effect of the Program Pause on each rebate offering subject to the Program Pause. Rebate Reservation Vouchers issued or approved prior to the announcement of a Program Pause may still be redeemed during a Program Pause.

(6) Exemptions.

(a) If a vehicle for which a rebate payment was issued is sold, returned, or traded in, or if a lease is transferred or assumed by another party prior to expiration of the minimum Ownership Period or lease agreement, or if the vehicle moves out of state, the purchaser or lessee may be required to reimburse the program.

(b) Exemption from the Ownership Period requirements set forth in 225 CMR 26.05(1)(b) may be allowed if necessitated by unforeseen or unavoidable circumstances, such as military relocation outside of Massachusetts, death of an Applicant, or determination by the Program Administrator that the vehicle has been totaled. To qualify for an exemption, Applicants will be required to submit a written request to the Program Administrator and include official documentation demonstrating proof of one of the above noted circumstances.

(c) To request an exemption for a special circumstance other than those listed in 225 CMR 26.10(6)(a) and (b), an Applicant can submit a written request to the Program Administrator explaining the circumstances along with any official corresponding documentation.

(d) The Program Administrator will review exemption requests with the Department to determine if the requirements for an exemption have been met. Exemption requests will be approved or denied by the Department at its sole discretion.

(7) Appeals. The Department will consider appeals to the denial of a rebate application, in full or in part, on a case-by-case basis. To request an appeal, a Participating Dealership, Licensed Dealership, or Applicant must contact the Program Administrator using the contact information on the MOR-EV website to initiate the appeals process within 90 calendar days of the date of application denial. The appeal must include all facts that form the basis for the appeal. The appeal date shall be considered the date an appeal is initiated by the Applicant.

- (a) Any appeals submitted more than 6 months after the date of purchase or lease of the eligible vehicle will not be eligible for review and consideration.
- (b) Appeals may be granted on a case-by-case basis no more than six months following the purchase or lease date of the eligible vehicle.
- (c) If the Department has instituted a Program Pause, eligible appeals may still be submitted to the Program Administrator. Appeals will be reviewed, and approvals granted by the Department when eligible, on an ongoing basis. The six-month windows outlined in 225 CMR 26.10(7)(a) and (b) are still in effect during a Program Pause. MOR-EV rebates associated with approved appeals will be issued in the order received once the Program Pause is lifted and funding is available.
- (d) Failure of a dealer to advise a consumer of the MOR-EV Program or the provision of false or incorrect information from a dealer to a consumer does not form the basis for appeal.
- (e) MOR-EV is a rebate program only. The Applicant's own misunderstanding that MOR-EV is instead a tax credit does not create a basis for appeal.
- (f) Appeals for vehicle purchases or leases that exceed the maximum Sales Price cap (New Vehicles) or Purchase Price cap (Used Vehicles) will be denied.
- (g) Appeals for Qualifying Zero Emission Vehicles that are purchased or leased during Program Pause will be denied.
- (h) If the only basis for the appeal is that the Applicant or other party disagrees with the policies set forth in these regulations, the MOR-EV Terms and Conditions, any relevant Guidelines, or other MOR-EV policy, the appeal will be denied.
- (i) The Applicant, Participating Dealership, or Licensed Dealership shall have ten business days after the response of the Program Administrator to the appeal initiation to provide any documentation or information necessary to complete the appeal request.

26.11: Annual Program Budget.

- (1) Annual Budget-setting. Starting in 2027, no less frequently than on an annual basis, the Department shall make publicly available the total MOR-EV maximum rebate budget and will not grant rebate payments or Rebate Reservation Vouchers

beyond that amount. The total annual rebate program budget may include spending sub-limits by specific rebate offering and reserve funding for appeals. DOER will announce the annual program budget and any associated spending sub-limits by January 30th each year. If additional funding becomes available during the year for which an annual budget has already been established, DOER reserves the right to amend the budget accordingly. If the total rebate budget is not fully expended or committed at the end of a calendar year, the Department will determine how to allocate remaining funding into the current or following calendar year's budget.

- (2) Budget Availability. The Department shall publish the remaining annual budget available (including program sub-limits, as applicable) on the MOR-EV website on an ongoing basis, no less than monthly.

26.12: Inspection and Noncompliance.

(1) Inspection.

(a) Document Inspection. The Department may audit the accuracy of all information submitted pursuant to 225 CMR 26.00. As a condition of participating in the MOR-EV rebate process, including Applicants and Participating Dealers, parties agree to provide the Department any information that the Department determines necessary to monitor compliance with and enforcement of 225 CMR 26.00.

(b) Audit and Site Inspection. Upon reasonable notice to an Applicant, Vehicle End User, Participating Dealership, Licensed Dealership, or other entity that participates in the MOR-EV Program, the Department may conduct audits, which may include inspection and copying of records and/or site visits to a dealership, including, but not limited to, all files and documents that the Department determines are related to compliance with 225 CMR 26.00.

(2) Noncompliance. Any Applicant, Vehicle End User, Licensed Dealership, or Participating Dealership that fails to comply with the requirements of 225 CMR 26.00 may be subject to the provisions in 225 CMR 26.12(2)(a) through (e).

(a) Return of Rebate. A failure to substantially comply with the requirements of 225 CMR 26.00 shall be determined by the Department on a case-by-case basis. An Applicant that fails to substantially comply with these requirements may be required to forfeit the rebate, rebate adder, or other funds provided under the MOR-EV Program, in full or in part, in an amount to be determined by the Department up to the amount received under the MOR-EV Program.

(b) Notice of Noncompliance. A failure to substantially comply with the requirements of 225 CMR 26.00 shall be determined by the Department on a case-by-case basis. A written Notice of Noncompliance shall be prepared and delivered by the Department to any Individual, Entity, Vehicle End User, Licensed

Dealership, Participating Dealership, or other entity that participates in the MOR-EV Program that fails to comply with the requirements of 225 CMR 26.00. The Notice of Noncompliance shall describe the requirement(s) with which the Applicant or dealership failed to comply, the time period of such noncompliance, and the possible penalties for noncompliance.

(c) Publication of Notice of Noncompliance. A Notice of Noncompliance may be published on the Department's website and in any other media deemed appropriate by the Department. Such publication may remain posted until the Applicant or dealership returns to compliance as determined by the Department.

(d) Suspension or Revocation of Participation in MOR-EV. The Department may suspend or revoke a Participating Dealership's participation in the MOR-EV Program due to noncompliance with 225 CMR 26.00.

(e) Future Participation in the MOR-EV Program. The Department may determine that any Individual, Entity, Vehicle End User, Participating Dealership, Licensed Dealership, or other entity involved with the MOR-EV Program may be suspended for a time or barred from participating in the MOR-EV Program due to noncompliance with 225 CMR 26.00.

26.13: Severability

If any provision of 225 CMR 26.00 is declared invalid, such invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

REGULATORY AUTHORITY

225 CMR 26.00: M.G.L. c. 25A, § 19; St. 2022, c. 126, § 123.