

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

sHB-7205

## AN ACT CONCERNING THE ACCESSIBILITY OF ELECTRIC VEHICLES IN CONNECTICUT.

### **OFA Fiscal Note**

#### **State Impact:**

| Agency Affected                                   | Fund-Effect  | FY 20 \$     | FY 21 \$     |
|---|--|--------------|--------------|
| Department of Energy and Environmental Protection | CT Hydrogen & Electric Automobile Purchase Rebate - Revenue Gain | 11.5 million | 11.5 million |
| Department of Energy and Environmental Protection | GF - Cost  | 3 million    | 3 million    |

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

**Section 1** of the bill requires the Department of Administrative Services (DAS), with the Department of Transportation (DOT), to study the feasibility of creating a competitive bid process for procurement of zero-emission vehicles and buses. It also authorizes DAS to: (1) proceed with the bid if it achieves savings and (2) issue an annual report to the Government Administration and Elections, Environment, and Energy and Technology committees. These requirements have no fiscal impact.

**Section 2** establishes the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program to provide rebates in the amount of \$3.0 million annually for the purchase or lease of new or used hydrogen or electric vehicles.

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**Section 3** increases the greenhouse gas reduction fee, from \$5 to \$10, that is required for the registration of new motor vehicles and directs its revenue to the CHEAPR account. The fee increase is anticipated to result in an annual revenue gain of approximately \$8.5 million into the newly established account.<sup>1</sup>

**Section 4**, the bill appropriates \$3 million in both FY 20 and FY 21 from the General Fund to the Department of Energy and Environmental Protection for deposit in the CHEAPR program account established in Section 2.

In summary, the annualized revenue gain in both FY 20 and FY 21 to the CHEAPR program's account is estimated to be \$11.5 million.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of motor vehicle registrations.

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<sup>1</sup> This is based on the current number of registrations, which was approximately 1.7 million in 2017 and 2018.