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IS YOUR STATE EV READY?

ELECTRIC VEHICLE (EV) READY ISSUE BRIEF

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As electric vehicles continue to proliferate the market, there has been a push at all levels of government to redevelop our national infrastructure to be Electric Vehicle (EV) Ready. Being EV Ready involves a range of policy decisions, but at its core EV Readiness can be seen in the availability of electric vehicle charging stations versus the number of electric vehicles on the road. Most recently, there has been a push in more populous jurisdictions for government, rather than private sector, action to meet EV Ready goals. This includes incentive programs, as well as modifications to building and zoning codes to mandate the inclusion of electric vehicles in new developments, and to retrofit existing facilities.

The Biden Administration has made EV Readiness a major part of both infrastructure and climate goals, however, for the moment, the Biden Administration has placed the most emphasis on a top-down, government-driven approach to electric vehicle charging station construction. The Bipartisan Infrastructure Bill provides \$7.5 billion for states to construct a network of 500,000 EV charging stations along major roadways nationwide, and the Inflation Reduction Act created a tax credit program for taxpayers who choose to purchase an electric vehicle.

At the same time, current market trends are driving utility companies across the country to roll out new programs for consumers who choose to purchase an electric vehicle, and who choose to have an electric vehicle charging station installed on their property. As there is no national standard for these programs yet, each utility company offers a different set of incentive programs, so it is important for homeowners and associations to check for which programs they may qualify for.

Utility Company Incentives:

Utility companies are increasingly offering rebate and deferred cost programs for single-family homeowners and multifamily properties which choose to install electric vehicle charging stations. Application periods, cost sharing, and eligibility vary between companies, so it is important to check with your community's electricity provider to see what incentives are available in your area.

Briefly, rebate programs will refund a portion of the cost of installation for homeowners and multifamily properties. Amounts can vary from a few hundred dollars to a few thousand for individual homeowners, while multifamily properties can receive funds of up to over \$10,000, with some programs setting the ceiling as high as \$30,000.

Deferred cost programs, meanwhile, put customers on a fixed contract where the installation and/or equipment costs are paid for in monthly installments over several years, with the utility company owning the charging unit for the term of the contract. This means that during the contract term, performing maintenance is the responsibility of the utility company.



Here are a few examples of the types of programs currently available:

- PEPCO (Maryland)- [Multifamily Property Rebate Program](#) Multifamily properties can receive rebates of up to \$15,000 for the installation of EV charging stations (limit 2 stations). Additionally, the [Residential Charger Rebate](#) provides homeowners a \$50 annual incentive for the installation of an EV charging station.
- PG&E (California)- [EV Charge Program](#) A minimum of 10 residential parking spaces can be converted to EV charging station spots to be owned by PG&E, so long as certain eligibility requirements are met. Applications for this program are currently closed.
- FPL (Florida)- [FPL EVolution Home](#) A deferred cost program for homeowners, with a 10-year contract and monthly payments dependent on whether or not the homeowner chooses to utilize FPL's installation service contractor.
- Duke Energy (North Carolina)- [EV Charger Prep Credit](#) Homeowners can receive a one-time credit of up to \$1117 to cover the cost of installing an EV charging station.
- BGE (Maryland)- [Commercial Customer Charger Rebate](#) Eligible HOAs and Multifamily Properties can receive rebates of up to \$30,000 for installing EV charging stations.

Again, there are as many incentive programs as there are utility companies. Please check with yours to see what programs are available in your area, and please be aware that some programs will require a conversation with your utility provider to determine eligibility.

State Incentives:

States have begun to approve and implement more of their own incentive programs for residents wishing to make the switch to an electric vehicle. While available incentives vary from state to state, generally they consist of grant funding for the installation of charging stations, tax credits, and rebates for the purchase of qualifying electric vehicles.

Some examples of state programs include:

- Illinois- [Charging Incentive Program and Electric Vehicle Rebate](#) Rebates for the purchase of an electric vehicle (amount increases annually), as well as grant funding for public and private organizations that choose to install electric vehicle charging stations.
- New Jersey- [Charge Up New Jersey and Multi Unit Dwelling \(MUD\) EV Charger Incentive](#) Rebates for homeowners for both the purchase of an electric vehicle and the installation of a charging station, as well as grant funding for multifamily properties (grants increased for certain high-density jurisdictions).

The following States have incentives (through either utility or public programs) which multiunit dwellings do qualify for in certain jurisdictions: Arkansas, Arizona, California, Colorado, Delaware, Florida, Hawaii, Indiana, Maryland, Michigan, Minnesota, Nebraska, North Carolina,



Nevada, New Jersey, New Mexico New York, Ohio, Oregon, Rhode Island, South Dakota, Texas, Utah, Vermont, Washington State, Wyoming.

The US Department of Energy has compiled a helpful list of the different state incentives currently in effect: <https://afdc.energy.gov/laws/state>.

Federal Tax Credits for Individuals:

Beginning in 2023, the IRS has available for taxpayers a credit program for electric vehicles, with amounts of up to \$7500 for new electric vehicles and up to \$4000 for used electric vehicles. However, taxpayers should be aware of a few caveats-

The formula for determining the tax credit for new electric vehicles purchased during or before 2022 is calculated as \$2,917 for a vehicle with a battery capacity of at least 5 kilowatt hours (kWh), plus \$417 for each kWh of capacity over 5 kWh. Additionally, vehicles purchased between August 17, 2022 and December 31, 2022 must have had their final assembly done in North America.

A purchase of a new electric vehicle from 2023 until 2032 is eligible for a tax credit of up to \$7500 if the vehicle's MSRP does not exceed \$80,000 for vans, sport utility vehicles and pickup trucks \$55,000 for other vehicles. Additionally, the vehicle must have undergone final assembly in North America, have a battery capacity of at least 7 kilowatt hours, weigh less than 14,000 pounds, and be made by a qualified manufacturer.

From 2023 onwards, the purchase of a used electric vehicle from a licensed dealer is eligible for up to a \$4000 tax credit. Qualifying purchases must be of electric vehicles that have a sale price of \$25,000 or less, and are a model year at least 2 years earlier than the calendar year purchased. Additionally, the vehicle cannot have already been transferred after August 16, 2022, to a qualified buyer, and must have weight of less than 14,000 pounds, and be an eligible FCV or plug-in EV with a battery capacity of least 7 kilowatt hours.

Tax Credit Resources:

- [Nationwide listing of publicly accessible charging stations](#)
- [IRS information on 2023 tax credit](#)
- [IRS information on 2023 used clean vehicle tax credit](#)
- [IRS information on tax credit for new vehicles purchased in 2022 or earlier](#)
- [IRS list of qualified vehicle manufacturers](#)

State Laws regarding Electric Vehicle Charging Stations (Right to Charge):

Many states are beginning to enact Right to Charge Laws, which protect the right of an owner to install an electric vehicle charging station, and simultaneously limit the ability of community associations to disallow such requests. CAI supports legislation which takes a balanced approach



to this issue, giving associations an opportunity to deny a request in certain circumstances and impose reasonable rules and regulations while acknowledging an owner’s right to purchase the vehicle of their choice. CAI does not support legislation which penalizes community associations, or creates a situation where monetary costs are forced onto the entire community.

NOTE: States in italics have laws that only cover condominiums. Hawaii’s law also explicitly covers townhomes.

	Insurance Requirement	Indemnification of Association	Exceptions	Penalties
California	Yes	No	Yes, association must send its denial in writing within 60 days	Actual damages, attorney’s fees, civil penalty of \$1000
Colorado	Yes	No	Yes, if there are certain conflicts with structural safety or building codes	None
<i>Connecticut</i>	Yes	No	No	Attorney’s fees
<i>Florida</i>	Yes	No	No	None
<i>Hawaii</i>	Yes	No	No	None
Maryland	Yes	No	Yes, association must send its denial in writing within 60 days	None
New Jersey	Yes	Yes	Yes, for safety risks and an association must send its denial in writing within 60 days	None
<i>New York</i>	Yes	No	Yes, association must send its denial in writing within 60 days	Actual damages, civil penalty of \$1000
Oregon	Yes	No	Yes, if the owner does not comply with association requirements within 60 days	Attorney’s fees
Utah	No	No	Yes, preserves existing	None



			covenants enacted before 5/4/2022	
Virginia	Yes	Yes	Yes, can prohibit installation in common areas	None
Washington State	Yes	No	No	Attorney's fees, civil penalty of \$1000

In the absence of state-level action, municipalities have increasingly begun to experiment with Right to Charge ordinances, so it is important that CAI members remain engaged at the local level to help craft reasonable legislation.

Zero Emission Vehicle Laws:

While the Clean Air Act generally governs vehicle emission rules nationwide, [Section 177](#) allows for a special waiver to be granted to California to enact rules which are more stringent than those of the federal government, and it also allows other states to implement California's standards without having to go through a waiver process. Section 177 was created in response to California's longstanding experimentation with emissions regulations, stemming from a need to address ongoing air quality issues in its largest cities. [California was the first state](#) to adopt its own vehicle emission standards, with the first regulations passing in the 1960s (focused on tailpipe emissions), the passage of the Zero Emission Vehicle Regulation in 1990, and the first greenhouse gas emissions regulations for cars in 2002. The Zero Emission Vehicle Regulation mandates an increase in the production of zero-emission vehicles by car manufacturers, and requires a full phase-out by 2035.

Maryland and New York have opted to mandate a full phase-out of gas-powered cars by 2035, using the authority granted by Section 177. Other states which have adopted Section 177 laws are *Colorado, Connecticut, Maine, Massachusetts, Minnesota, New Jersey, Nevada, New Mexico, Oregon, Rhode Island, Vermont, Virginia, and Washington*. While these states will not be putting a hard stop on the sale of gas-powered vehicles, there are increased standards for fuel efficiency and carbon emissions, scaled to match those established by California. Delaware, the District of Columbia, and Pennsylvania have all agreed, through regulatory action, to follow California's zero emission vehicle standards, although they have not adopted formal legislation.



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