

HOUSE BILL 44

Q5, R4

1lr1440

(PRE-FILED)

By: **Delegate Fraser-Hidalgo**

Requested: November 1, 2020

Introduced and read first time: January 13, 2021

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2021

CHAPTER _____

1 AN ACT concerning

2 **Clean Cars Act of 2021**

3 FOR the purpose of extending and altering, for certain fiscal years, the Electric Vehicle
4 Recharging Equipment Rebate Program ~~and vehicle excise tax credit~~ for the
5 purchase of certain electric vehicles; increasing, for certain fiscal years, the total
6 amount of rebates that the Maryland Energy Administration may issue; ~~altering the~~
7 ~~authorized uses of certain compliance fees by the Maryland Strategic Energy~~
8 ~~Investment Fund; increasing, for purposes of a certain vehicle excise tax credit, the~~
9 ~~limitation on the maximum total purchase price of certain electric vehicles; repealing~~
10 ~~a certain limitation on the maximum amount of the vehicle excise tax credit;~~
11 ~~reducing the vehicle excise tax credit for certain electric drive vehicles; requiring, for~~
12 ~~certain fiscal years, a certain amount~~ certain amounts to be transferred from the
13 Maryland Strategic Energy Investment Fund to the Transportation Trust Fund to
14 offset certain revenue reductions; ~~providing for the application of certain provisions~~
15 ~~of this Act;~~ and generally relating to ~~energy reduction programs and~~ electric vehicles.

16 BY repealing and reenacting, without amendments,

17 Article – State Government

18 Section 9-2009(a) and (b) ~~and 9-20B-05(a)~~

19 Annotated Code of Maryland

20 (2014 Replacement Volume and 2020 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article – State Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 9–2009(c) ~~and 9–20B–05(i)~~
 2 Annotated Code of Maryland
 3 (2014 Replacement Volume and 2020 Supplement)

4 ~~BY repealing and reenacting, with amendments,~~
 5 ~~Article – Transportation~~
 6 ~~Section 13–815~~
 7 ~~Annotated Code of Maryland~~
 8 ~~(2020 Replacement Volume)~~

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 10 That the Laws of Maryland read as follows:

11 **Article – State Government**

12 9–2009.

13 (a) (1) In this section the following words have the meanings indicated.

14 (2) “Electric vehicle recharging equipment rebate” means a rebate issued
 15 by the Administration under this section for the cost of qualified electric vehicle recharging
 16 equipment.

17 (3) “Qualified electric vehicle recharging equipment” means property in the
 18 State that is used for recharging motor vehicles propelled by electricity.

19 (4) “Retail service station dealer” has the meaning stated in § 10–101 of
 20 the Business Regulation Article.

21 (b) (1) There is an Electric Vehicle Recharging Equipment Rebate Program.

22 (2) The Administration shall administer the Program.

23 (c) (1) For fiscal years ~~[2018 through 2020]~~ **2021 THROUGH 2023**, subject to
 24 the provisions of this section, an individual, a business entity, or a unit of State or local
 25 government may apply to the Administration for an electric vehicle recharging equipment
 26 rebate for the costs of acquiring and installing qualified electric vehicle recharging
 27 equipment.

28 (2) For each fiscal year, the total amount of rebates issued by the
 29 Administration may not exceed ~~[\$1,200,000]~~ **\$1,800,000**.

30 (3) The Administration may allow an applicant to include reasonable
 31 installation costs in the cost of qualified electric vehicle recharging equipment for the
 32 purpose of calculating the amount of an electric vehicle recharging equipment rebate.

33 ~~9–20B–05.~~

1 ~~(a) There is a Maryland Strategic Energy Investment Fund.~~

2 ~~(i) (1) In this subsection, "low-income" means having an annual household~~
 3 ~~income that is at or below 175% of the federal poverty level.~~

4 ~~(2) [Except as provided in paragraph (3) of this subsection, compliance]~~
 5 ~~COMPLIANCE fees paid under § 7-705(b) of the Public Utilities Article may be used only~~
 6 ~~[to make loans and grants to support the creation of new Tier 1 renewable energy sources~~
 7 ~~in the State that are owned by or directly benefit low-income residents of the State].~~

8 ~~(I) TO PROVIDE SUPPLEMENTAL FUNDING FOR~~
 9 ~~ZERO EMISSION VEHICLES, ZERO EMISSION VEHICLE INFRASTRUCTURE~~
 10 ~~PROGRAMS, AND OTHER TRANSPORTATION SECTOR GREENHOUSE GAS REDUCTION~~
 11 ~~AND CARBON REDUCTION EFFORTS; AND~~

12 ~~(H) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, TO~~
 13 ~~MAKE ENERGY RELATED LOANS AND GRANTS INCLUDING SUPPORT FOR ENERGY~~
 14 ~~EFFICIENCY MEASURES, SOLAR RENEWABLES, AND OTHER TIER 1 RENEWABLES~~
 15 ~~THAT DIRECTLY BENEFIT LOW TO MODERATE INCOME RESIDENTS OF THE STATE.~~

16 ~~[(3) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities~~
 17 ~~Article shall be accounted for separately within the Fund and may be used only to make~~
 18 ~~loans and grants to support the creation of new solar energy sources in the State that are~~
 19 ~~owned by or directly benefit low-income residents of the State.]~~

20 ~~(3) FOR EACH FISCAL YEAR, AT LEAST 50% OF THE ENERGY RELATED~~
 21 ~~LOANS AND GRANTS MADE UNDER PARAGRAPH (2)(H) OF THIS SUBSECTION SHALL~~
 22 ~~DIRECTLY BENEFIT LOW INCOME RESIDENTS OF THE STATE.~~

23 ~~Article Transportation~~

24 ~~13-815.~~

25 ~~(a) In this section, "excise tax" means the tax imposed under § 13-800 of this~~
 26 ~~subtitle.~~

27 ~~(b) This section applies only to:~~

28 ~~(1) A plug-in electric drive vehicle that:~~

29 ~~(i) Has not been modified from original manufacturer specifications;~~

30 ~~(ii) Is acquired for use or lease by the taxpayer and not for resale;~~

- 1 (iii) ~~Has a total purchase price not exceeding [\$63,000] \$73,000;~~
- 2 (iv) ~~Has a battery capacity of at least 5.0 kilowatt hours; and~~
- 3 (v) ~~Is purchased new and titled for the first time on or after July 1,~~
4 ~~2017, but before July 1, [2020] 2023; and~~
- 5 (2) ~~A fuel cell electric vehicle that:~~
- 6 (i) ~~Has not been modified from original manufacturer specifications;~~
- 7 (ii) ~~Is acquired for use or lease by the taxpayer and not for resale;~~
- 8 (iii) ~~Has a total purchase price not exceeding [\$63,000] \$73,000; and~~
- 9 (iv) ~~Is purchased new and titled for the first time on or after July 1,~~
10 ~~2017, but before July 1, [2020] 2023.~~
- 11 (e) ~~Subject to available funding, [a] AN EXCISE TAX credit is allowed [against the~~
12 ~~excise tax imposed] for a plug-in electric drive vehicle or fuel cell electric vehicle.~~
- 13 (d) ~~[The] SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE credit allowed~~
14 ~~under this section [may not exceed the lesser of] SHALL EQUAL:~~
- 15 (1) ~~[The amount of excise tax paid for the purchase of the vehicle; or~~
- 16 (2)] ~~\$3,000 FOR EACH ZERO EMISSION PLUG-IN OR FUEL CELL~~
17 ~~ELECTRIC VEHICLE PURCHASED; OR~~
- 18 (2) ~~\$1,500 FOR EACH PLUG-IN ELECTRIC DRIVE HYBRID VEHICLE~~
19 ~~PURCHASED.~~
- 20 (e) ~~The credit allowed under this section is limited to the acquisition of:~~
- 21 (1) ~~One vehicle per individual; and~~
- 22 (2) ~~10 vehicles per business entity.~~
- 23 (f) ~~A credit may not be claimed under this section:~~
- 24 (1) ~~For a vehicle unless the vehicle is registered in the State; or~~
- 25 (2) ~~Unless the manufacturer has already conformed to any applicable State~~
26 ~~or federal laws or regulations governing clean fuel vehicle or electric vehicle purchases~~
27 ~~applicable during the calendar year in which the vehicle is titled.~~

1 ~~(g) The Motor Vehicle Administration shall administer the credit under this~~
2 ~~section.~~

3 SECTION 2. AND BE IT FURTHER ENACTED, That:

4 ~~(a) Subject to subsection (b) of this section and notwithstanding any other~~
5 ~~provision of law, for fiscal years 2021, 2022, and 2023, respectively, the Maryland Energy~~
6 ~~Administration shall transfer from the Strategic Energy Investment Fund established~~
7 ~~under § 9-20B-05 of the State Government Article to the Transportation Trust Fund the~~
8 ~~amount determined under subsection (b) of this section to offset a reduction in revenues~~
9 ~~from the vehicle excise tax credit for qualified plug-in electric drive vehicles and fuel cell~~
10 ~~electric vehicles under § 13-815 of the Transportation Article, as enacted by this Act.~~

11 ~~(b) (1) Subject to paragraphs (2) and (3) of this subsection, for each fiscal year~~
12 ~~the Maryland Energy Administration shall determine the amount to transfer under~~
13 ~~subsection (a) of this section.~~

14 ~~(2) Subject to paragraph (3) of this subsection, each fiscal year the~~
15 ~~Maryland Energy Administration shall transfer under subsection (a) of this section:~~

16 ~~(i) at least \$12,000,000; and~~

17 ~~(ii) not more than \$26,000,000.~~

18 ~~(3) For each fiscal year, the amount transferred under subsection (a) of this~~
19 ~~section may not exceed the total amount of credits allowed against the excise tax for that~~
20 ~~fiscal year. notwithstanding any other provision of law, the Maryland Energy~~
21 ~~Administration shall transfer the lesser of \$10,000,000 or the actual total outstanding~~
22 ~~amount of the credit allowed against the excise tax from the Strategic Energy Investment~~
23 ~~Fund to the Transportation Trust Fund to offset the reduction in revenues from the vehicle~~
24 ~~excise tax credit for qualified plug-in electric drive vehicles and fuel cell electric vehicles~~
25 ~~under § 13-815 of the Transportation Article applied for before July 1, 2020.~~

26 ~~SECTION 3. AND BE IT FURTHER ENACTED, That § 13-815(b)(1)(iii) and (2)(iii)~~
27 ~~and (d) of the Transportation Article, as enacted by this Act, shall be construed to apply~~
28 ~~only prospectively and may not be implied or interpreted to have any effect on or application~~
29 ~~to any vehicles purchased before the effective date of this Act.~~

30 SECTION 4. ~~3.~~ AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2021.