

SENATE BILL 152

M5, Q5

1lr0051

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Maryland Energy Administration)**

Requested: September 29, 2020

Introduced and read first time: January 13, 2021

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Strategic Energy Investment Fund – Use of Funds and Electric**
3 **Vehicle Excise Tax Credits**

4 FOR the purpose of altering the purposes for which certain compliance fees paid into the
5 Maryland Strategic Energy Investment Fund may be used; requiring at least a
6 certain amount of certain energy-related loans and grants made by the Maryland
7 Energy Administration to directly benefit certain low-income residents of the State;
8 requiring certain vehicle excise tax credits for the purchase of certain plug-in electric
9 drive vehicles and certain fuel cell electric vehicles to be issued from the
10 Transportation Trust Fund under certain circumstances; requiring, for certain fiscal
11 years, a certain amount to be transferred from the Strategic Energy Investment
12 Fund to the Transportation Trust Fund to offset certain revenue reductions; and
13 generally relating to the use of the Maryland Strategic Energy Investment Fund.

14 BY repealing and reenacting, without amendments,
15 Article – State Government
16 Section 9–20B–05(a)
17 Annotated Code of Maryland
18 (2014 Replacement Volume and 2020 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – State Government
21 Section 9–20B–05(i)
22 Annotated Code of Maryland
23 (2014 Replacement Volume and 2020 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Government

9–20B–05.

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

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

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

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) If an eligible application for a vehicle excise tax credit for a qualified plug-in electric drive vehicle or fuel cell vehicle under § 13–815 of the Transportation Article was submitted before January 1, 2021, the credit shall be issued from the Transportation Trust Fund established under § 3–216 of the Transportation Article.

(b) Notwithstanding any other provision of law, for fiscal years 2022 and 2023, the lesser of \$4,000,000 or the actual total amount of credits allowed against the excise tax and issued under subsection (a) of this section shall be transferred from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article

1 to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise
2 tax credit for qualified plug-in electric drive vehicles and fuel cell vehicles under § 13–815
3 of the Transportation Article.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2021.