

Chapter 234

(House Bill 1391)

AN ACT concerning

Clean Cars Act of 2022

FOR the purpose of establishing the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program for certain vehicles and equipment to be administered by the Maryland Energy Administration; extending and altering, for certain fiscal years, the vehicle excise tax credit for the purchase of certain electric vehicles; decreasing, for purposes of the electric vehicle excise tax credit, the limitation on the maximum ~~total~~ base purchase price of certain electric vehicles; reducing the vehicle excise tax credit for certain electric drive vehicles; requiring, for certain fiscal years, a certain amount to be transferred from the Maryland Strategic Energy Investment Fund to the Transportation Trust Fund to offset certain revenue reductions; and generally relating to the electric vehicle excise tax credit.

BY adding toArticle – State GovernmentSection 9–2010Annotated Code of Maryland(2021 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – TransportationSection 11–103.4 and 13–815Annotated Code of Maryland(2020 Replacement Volume and 2021 Supplement)

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

Article – State Government**9–2010.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “GRANT” MEANS A MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLE GRANT ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR UP TO 20% OF THE COST OF A QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLE, QUALIFIED MEDIUM-DUTY OR

HEAVY-DUTY ZERO-EMISSION VEHICLE SUPPLY EQUIPMENT, OR ZERO-EMISSION HEAVY EQUIPMENT PROPERTY.

(3) “PROGRAM” MEANS THE MEDIUM-DUTY AND HEAVY-DUTY ZERO-EMISSION VEHICLE GRANT PROGRAM.

(4) “QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLE” MEANS A MOTOR VEHICLE THAT IS:

(I) RATED AT MORE THAN 8,500 POUNDS UNLOADED GROSS WEIGHT; AND

(II) POWERED BY ELECTRICITY THAT IS STORED IN A BATTERY OR PRODUCED BY A HYDROGEN FUEL CELL.

(5) “QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLE SUPPLY EQUIPMENT” MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING OR REFUELING MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLES OR ZERO-EMISSION HEAVY EQUIPMENT *PROPERTY*.

(6) (I) “ZERO-EMISSION HEAVY EQUIPMENT PROPERTY” MEANS CONSTRUCTION, EARTHMOVING, OR INDUSTRIAL HEAVY EQUIPMENT, INCLUDING ANY ATTACHMENT FOR THE EQUIPMENT, THAT:

1. IS MOBILE; AND

2. DOES NOT USE AN INTERNAL COMBUSTION ENGINE.

(II) “ZERO-EMISSION HEAVY EQUIPMENT PROPERTY” INCLUDES:

1. A SELF-PROPELLED VEHICLE THAT IS NOT DESIGNED TO BE DRIVEN ON A HIGHWAY; AND

2. INDUSTRIAL ELECTRICAL GENERATION EQUIPMENT, INDUSTRIAL LIFT EQUIPMENT, INDUSTRIAL MATERIAL HANDLING EQUIPMENT, OR OTHER SIMILAR INDUSTRIAL EQUIPMENT.

(B) (1) THERE IS A MEDIUM-DUTY AND HEAVY-DUTY ZERO-EMISSION VEHICLE GRANT PROGRAM.

(2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.

(C) (1) FOR EACH OF FISCAL YEARS 2024 THROUGH ~~2026~~ 2027, A PERSON OR A UNIT OF LOCAL GOVERNMENT MAY APPLY TO THE ADMINISTRATION FOR A GRANT UNDER THE PROGRAM.

(2) FOR THE PURPOSE OF CALCULATING THE AMOUNT OF A GRANT, THE ADMINISTRATION MAY ALLOW AN APPLICANT TO INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLE SUPPLY EQUIPMENT.

(D) PROGRAM GRANTS ARE SUBJECT TO AVAILABLE FUNDING AND § 9-20B-05(J)(4) OF THIS TITLE.

(E) (1) NOTWITHSTANDING § 9-20B-05(G) OF THIS TITLE, IN EACH OF FISCAL YEARS 2024 THROUGH 2027, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$1,000,000 FROM THE STRATEGIC ENERGY INVESTMENT FUND FOR GRANTS FOR QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLES UNDER THE PROGRAM.

(2) NOTWITHSTANDING § 9-20B-05(G) OF THIS TITLE, IN EACH OF FISCAL YEARS 2024 THROUGH 2027, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$750,000 FROM THE STRATEGIC ENERGY INVESTMENT FUND FOR GRANTS FOR ZERO-EMISSION HEAVY EQUIPMENT PROPERTY UNDER THE PROGRAM.

Article – Transportation

11-103.4.

“Autocycle” means a motor vehicle that:

- (1) Has two front wheels and one rear wheel;
- (2) Has a steering [wheel] MECHANISM;
- (3) Has permanent seats on which the operator or a passenger is not required to sit astride;
- (4) Has foot pedals to control [acceleration.] AT LEAST ONE OF THE FOLLOWING:
 - (I) ACCELERATION; [braking.]
 - (II) BRAKING; [and, if] OR

(III) IF applicable, a clutch; and

(5) Is manufactured to comply with federal safety standards for motorcycles.

13-815.

(a) (1) In this section THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “AUTOCYCLE” HAS THE MEANING STATED IN § 11-103.4 OF THIS ARTICLE.

(3) “EXCISE TAX” MEANS THE TAX IMPOSED UNDER § 13-809 OF THIS SUBTITLE, “excise tax” means the tax imposed under § 13-809 of this subtitle.

(4) (I) “ZERO EMISSION HEAVY EQUIPMENT PROPERTY” MEANS CONSTRUCTION, EARTHMOVING, OR INDUSTRIAL EQUIPMENT, INCLUDING ANY ATTACHMENT FOR THE HEAVY EQUIPMENT, THAT:

1. IS MOBILE; AND

2. DOES NOT USE AN INTERNAL COMBUSTION ENGINE.

(II) “ZERO EMISSION HEAVY EQUIPMENT PROPERTY” INCLUDES:

1. A SELF-PROPELLED VEHICLE THAT IS NOT DESIGNED TO BE DRIVEN ON A HIGHWAY; AND

2. INDUSTRIAL ELECTRICAL GENERATION EQUIPMENT, INDUSTRIAL LIFT EQUIPMENT, INDUSTRIAL MATERIAL HANDLING EQUIPMENT, OR OTHER SIMILAR INDUSTRIAL EQUIPMENT.

(5) (4) “ZERO-EMISSION PLUG-IN ELECTRIC DRIVE VEHICLE” MEANS A MOTOR VEHICLE THAT:

(I) IS MADE BY A MANUFACTURER;

(II) HAS A MAXIMUM SPEED CAPABILITY OF AT LEAST 55 MILES PER HOUR; AND

(III) IS PROPELLED BY AN ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM A BATTERY THAT:

1. HAS A CAPACITY OF NOT LESS THAN 4 KILOWATT-HOURS; AND

2. IS CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE OF ELECTRICITY.

(b) This section applies only to:

(1) A ZERO-EMISSION plug-in electric drive vehicle that:

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

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

(iii) Has a ~~total~~ BASE purchase price not exceeding ~~[\$63,000]~~ \$55,000 \$50,000;

(iv) Has a battery capacity of at least 5.0 kilowatt-hours; and

(v) Is purchased new and titled for the first time on or after July 1, ~~[2017] 2020 2023~~, but before July 1, ~~[2020] 2025 2027~~; and ~~and~~

(2) A fuel cell electric vehicle that:

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

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

(iii) Has a ~~total~~ BASE purchase price not exceeding ~~[\$63,000]~~ \$55,000 \$50,000; and

(iv) Is purchased new and titled for the first time on or after July 1, ~~[2017] 2020 2023~~, but before July 1, ~~[2020] 2025 2027~~; AND

~~(3) ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS:~~

~~(I) PURCHASED OR LEASED BUT DOES NOT NEED TO BE TITLED;~~

~~(II) ACQUIRED FOR USE OR LEASE AND IS NOT FOR RESALE; AND~~

~~(III) PURCHASED NEW FOR THE FIRST TIME ON OR AFTER JULY 1, 2023, BUT BEFORE JULY 1, 2027.~~

(c) Subject to available funding, [a] **AN EXCISE TAX** credit is allowed [against the excise tax imposed] for a **ZERO-EMISSION** plug-in electric drive vehicle ~~or, or~~ fuel cell electric vehicle, ~~OR ZERO-EMISSION HEAVY EQUIPMENT PROPERTY.~~

(d) [The] **SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE** credit allowed under this section [may not exceed the lesser of] **SHALL EQUAL:**

(1) [The amount of excise tax paid for the purchase of the vehicle; or

(2)] **\$3,000 FOR EACH ZERO-EMISSION PLUG-IN ELECTRIC DRIVE VEHICLE OR FUEL CELL ELECTRIC VEHICLE PURCHASED; OR**

~~(2) **\$1,500 FOR EACH PLUG IN ELECTRIC DRIVE HYBRID VEHICLE PURCHASED; OR**~~

~~(3) (I) **\$1,000 FOR EACH TWO-WHEELED ZERO-EMISSION ELECTRIC MOTORCYCLE PURCHASED; OR**~~

~~(II) **\$2,000 FOR EACH THREE-WHEELED ZERO-EMISSION ELECTRIC MOTORCYCLE OR AUTOCYCLE PURCHASED; OR**~~

~~(3) **\$5,000 FOR EACH ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS PURCHASED OR LEASED.**~~

(e) The credit allowed under this section is limited to the acquisition of:

(1) One vehicle per individual; and

(2) 10 vehicles per business entity.

(f) A credit may not be claimed under this section:

(1) For a vehicle unless the vehicle is registered in the State; or

(2) Unless the manufacturer has already conformed to any applicable State or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the calendar year in which the vehicle is titled.

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

~~(H) **FOR EACH OF FISCAL YEARS 2024 THROUGH 2029, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET AN APPROPRIATION OF \$8,250,000 TO PROVIDE EXCISE TAX CREDITS FOR ZERO-EMISSION PLUG-IN ELECTRIC DRIVE**~~

~~VEHICLES, FUEL CELL ELECTRIC VEHICLES, AND ZERO EMISSION HEAVY EQUIPMENT PROPERTY UNDER THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Subject to subsection (b) of this section and notwithstanding any other provision of law, for *each of* fiscal years ~~2023 through 2025~~ 2024 through 2027, ~~inclusive~~, the Maryland Energy Administration shall transfer from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the Transportation Trust Fund the amount determined under subsection (b) of this section to offset a reduction in revenues from the vehicle excise tax credit for qualified zero-emission plug-in electric drive vehicles, fuel cell electric vehicles, ~~and two- and two-wheeled zero-emission electric motorcycles, and~~ three-wheeled zero-emission electric motorcycles or autocycles, and ~~zero-emission heavy equipment property~~ under § 13–815 of the Transportation Article ~~and § 9–2010 of the State Government Article~~, as enacted by Section 1 of this Act.

(b) (1) Subject to paragraph (2) of this subsection, for each fiscal year the Maryland Energy Administration shall determine the amount to transfer under subsection (a) of this section.

(2) For each ~~fiscal year~~ of fiscal years 2024 through 2027, the amount transferred under subsection (a) of this section may not exceed the lesser of ~~\$10,000,000~~ \$8,250,000 or the total amount of credits allowed against the excise tax for that fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That § 13–815(b)(1)(iii) and (2)(iii) and (d) of the Transportation Article, as enacted by Section 1 of this Act, shall be construed to apply to vehicles purchased on or after July 1, ~~2020~~ 2023, and may not be implied or interpreted to have any effect on or application to any vehicles purchased before July 1, ~~2020~~ 2023.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.

Approved by the Governor, April 21, 2022.