

SENATE BILL 277

Q5, R4

0lr0019
CF HB 359

By: **The President (By Request – Administration) and Senators Bailey, Beidle, Carozza, Eckardt, Elfreth, Hershey, Lam, Salling, Serafini, Simonaire, and West**

Introduced and read first time: January 20, 2020

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Clean Cars Act of 2020 – Extension, Funding, and Reporting**

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; repealing, for purposes of a certain vehicle excise tax credit, the
9 limitation on the maximum total purchase price of certain fuel cell electric vehicles;
10 repealing a certain limitation on the maximum amount of the vehicle excise tax
11 credit; requiring the Maryland Zero Emission Electric Vehicle Infrastructure Council
12 to issue certain reports on or before certain dates; extending and altering, for certain
13 fiscal years, the amount required to be transferred from the Maryland Strategic
14 Energy Investment Fund to the Transportation Trust Fund to offset certain revenue
15 reductions; making a technical correction; and generally relating to 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 2019 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – State Government
23 Section 9–2009(c) and 9–20B–05(i)
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2019 Supplement)

26 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Transportation

Section 13–815

Annotated Code of Maryland

(2012 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, without amendments,

Chapter 400 of the Acts of the General Assembly of 2011, as amended by Chapters 64 and 65 of the Acts of the General Assembly of 2013, Chapter 378 of the Acts of the General Assembly of 2015, and Chapter 213 of the Acts of the General Assembly of 2019

Section 1(b)

BY repealing and reenacting, with amendments,

Chapter 400 of the Acts of the General Assembly of 2011, as amended by Chapters 64 and 65 of the Acts of the General Assembly of 2013, Chapter 378 of the Acts of the General Assembly of 2015, and Chapter 213 of the Acts of the General Assembly of 2019

Section 1(h)

BY repealing and reenacting, without amendments,

Chapter 401 of the Acts of the General Assembly of 2011, as amended by Chapters 64 and 65 of the Acts of the General Assembly of 2013, Chapter 378 of the Acts of the General Assembly of 2015, and Chapter 213 of the Acts of the General Assembly of 2019

Section 1(b)

BY repealing and reenacting, with amendments,

Chapter 401 of the Acts of the General Assembly of 2011, as amended by Chapters 64 and 65 of the Acts of the General Assembly of 2013, Chapter 378 of the Acts of the General Assembly of 2015, and Chapter 213 of the Acts of the General Assembly of 2019

Section 1(h)

BY repealing and reenacting, with amendments,

Chapter 359 of the Acts of the General Assembly of 2014, as amended by Chapters 362 and 363 of the Acts of the General Assembly of 2017 and Chapter 213 of the Acts of the General Assembly of 2019

Section 2

BY repealing and reenacting, with amendments,

Chapter 360 of the Acts of the General Assembly of 2014, as amended by Chapters 362 and 363 of the Acts of the General Assembly of 2017 and Chapter 213 of the Acts of the General Assembly of 2019

Section 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

1

2

3

4

7

9

11

12

13

18

20

23

24

25

27

28

29

30

(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, 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) FOR 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.

Article – Transportation

13-815.

(a) In this section, “excise tax” means the tax imposed under § 13-809 of this subtitle.

(b) This section applies only to:

(1) A 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 purchase price not exceeding \$63,000;

(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, but before July 1, [2020] **2023**; and

(2) A fuel cell electric vehicle that:

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

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

3 (iii) [Has a total purchase price not exceeding \$63,000; and

4 (iv)] Is purchased new and titled for the first time on or after July 1,
5 2017, but before July 1, [2020] **2023**.

6 (c) Subject to available funding, [a] **AN EXCISE TAX** credit is allowed [against the
7 excise tax imposed] for a plug-in electric drive vehicle or fuel cell electric vehicle.

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

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

11 (2)] **IS EQUAL TO \$3,000 FOR EACH VEHICLE PURCHASED.**

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

13 (1) One vehicle per individual; and

14 (2) 10 vehicles per business entity.

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

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

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

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

22 **Chapter 400 of the Acts of 2011, as amended by Chapters 64 and 65 of the Acts of**
23 **2013, Chapter 378 of the Acts of 2015, and Chapter 213 of the Acts of 2019**

24 **SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,**
25 **That:**

26 (b) There is a Maryland Zero Emission Electric Vehicle Infrastructure Council.

27 (h) (1) On or before December 1, 2013, December 1, 2014, December 1, 2015,
28 December 1, 2016, December 1, 2017, December 1, 2018, [and] December 1, 2019,
29 **DECEMBER 1, 2020, DECEMBER 1, 2021, AND DECEMBER 1, 2022**, the Council shall

submit interim reports of its work and recommendations to the Governor and, in accordance with [§ 2–1246] **§ 2–1257** of the State Government Article, the General Assembly.

(2) On or before June 30, [2020] **2023**, the Council shall submit a final report of its work and recommendations to the Governor and, in accordance with [§ 2–1246] **§ 2–1257** of the State Government Article, the General Assembly.

Chapter 401 of the Acts of 2011, as amended by Chapters 64 and 65 of the Acts of 2013, Chapter 378 of the Acts of 2015, and Chapter 213 of the Acts of 2019

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

(b) There is a Maryland Zero Emission Electric Vehicle Infrastructure Council.

(h) (1) On or before December 1, 2013, December 1, 2014, December 1, 2015, December 1, 2016, December 1, 2017, December 1, 2018, [and] December 1, 2019, **DECEMBER 1, 2020, DECEMBER 1, 2021, AND DECEMBER 1, 2022**, the Council shall submit interim reports of its work and recommendations to the Governor and, in accordance with [§ 2–1246] **§ 2–1257** of the State Government Article, the General Assembly.

(2) On or before June 30, [2020] **2023**, the Council shall submit a final report of its work and recommendations to the Governor and, in accordance with [§ 2–1246] **§ 2–1257** of the State Government Article, the General Assembly.

Chapter 359 of the Acts of 2014, as amended by Chapters 362 and 363 of the Acts of 2017 and Chapter 213 of the Acts of 2019

SECTION 2. AND BE IT FURTHER ENACTED, That[,]:

(A) **SUBJECT TO SUBSECTION (B) OF THIS SECTION** AND notwithstanding any other provision of law, for fiscal [year 2020 the lesser of \$6,000,000 or the actual total amount of credits allowed against the excise tax shall be transferred] **YEARS 2021, 2022, AND 2023, RESPECTIVELY, 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 plug-in electric drive vehicles and fuel cell electric vehicles under § 13–815 of the Transportation Article, as enacted by this Act. [For fiscal year 2020, the total amount of credits allowed against the excise tax may not exceed \$6,000,000.]

(B) (1) **SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, FOR EACH FISCAL YEAR THE MARYLAND ENERGY ADMINISTRATION SHALL DETERMINE THE AMOUNT TO TRANSFER UNDER SUBSECTION (A) OF THIS SECTION.**

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, EACH FISCAL YEAR THE MARYLAND ENERGY ADMINISTRATION SHALL TRANSFER AT LEAST \$12,000,000 UNDER SUBSECTION (A) OF THIS SECTION.

(3) FOR EACH FISCAL YEAR, THE AMOUNT TRANSFERRED UNDER SUBSECTION (A) OF THIS SECTION MAY NOT EXCEED THE TOTAL AMOUNT OF CREDITS ALLOWED AGAINST THE EXCISE TAX FOR THAT FISCAL YEAR.

Chapter 360 of the Acts of 2014, as amended by Chapters 362 and 363 of the Acts of 2017 and Chapter 213 of the Acts of 2019

SECTION 2. AND BE IT FURTHER ENACTED, That[,]:

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION AND notwithstanding any other provision of law, for fiscal [year 2020 the lesser of \$6,000,000 or the actual total amount of credits allowed against the excise tax shall be transferred] YEARS 2021, 2022, AND 2023, RESPECTIVELY, 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 plug-in electric drive vehicles and fuel cell electric vehicles under § 13–815 of the Transportation Article, as enacted by this Act. [For fiscal year 2020, the total amount of credits allowed against the excise tax may not exceed \$6,000,000.]

(B) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, FOR EACH FISCAL YEAR THE MARYLAND ENERGY ADMINISTRATION SHALL DETERMINE THE AMOUNT TO TRANSFER UNDER SUBSECTION (A) OF THIS SECTION.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, EACH FISCAL YEAR THE MARYLAND ENERGY ADMINISTRATION SHALL TRANSFER AT LEAST \$12,000,000 UNDER SUBSECTION (A) OF THIS SECTION.

(3) FOR EACH FISCAL YEAR, THE AMOUNT TRANSFERRED UNDER SUBSECTION (A) OF THIS SECTION MAY NOT EXCEED THE TOTAL AMOUNT OF CREDITS ALLOWED AGAINST THE EXCISE TAX FOR THAT FISCAL YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.