

HOUSE BILL 1391

Q5, R4

2lr1177

By: ~~Delegate Fraser-Hidalgo~~ Delegates Fraser-Hidalgo, Amprey, Barve, Boyce, Foley, Healey, Holmes, Jalisi, Love, Otto, Prettyman, Ruth, Stein, Stewart, Terrasa, and Wells

Introduced and read first time: February 15, 2022

Assigned to: Rules and Executive Nominations

Re-referred to: Environment and Transportation, February 27, 2022

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2022

CHAPTER _____

1 AN ACT concerning

2 **Clean Cars Act of 2022**

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

13 BY adding to
14 Article – State Government
15 Section 9–2010
16 Annotated Code of Maryland
17 (2021 Replacement Volume)

18 BY repealing and reenacting, with amendments,
19 Article – Transportation
20 Section 11–103.4 and 13–815

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.



Annotated 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.

(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, 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 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 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

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

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

6 **(I) IS MADE BY A MANUFACTURER;**

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

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

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

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

15 (b) This section applies only to:

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

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

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

19 (iii) Has a total purchase price not exceeding ~~[\$63,000]~~ ~~\$55,000~~
20 **\$50,000;**

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

22 (v) Is purchased new and titled for the first time on or after July 1,
23 ~~[2017] 2020 2023~~, but before July 1, ~~[2020] 2025 2027; and~~

24 (2) A fuel cell electric vehicle that:

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

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

27 (iii) Has a total purchase price not exceeding ~~[\$63,000]~~ ~~\$55,000~~
28 **\$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~~, 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;**

~~(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 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,~~ 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 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.