

SENATE BILL 393

Q5, R4

7lr0632

By: **Senator Manno**

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 22, 2017

CHAPTER _____

1 AN ACT concerning

2 ~~**Electric Vehicle Excise Tax Credit Extension**~~
3 **Clean Cars Act of 2017**

4 FOR the purpose of extending and altering, for certain fiscal years, the Electric Vehicle
5 Recharging Equipment Rebate Program and authorization to issue certain motor
6 vehicle excise tax credits for certain qualified plug-in electric drive vehicles;
7 increasing the total amount of rebates that the Maryland Energy Administration
8 may issue each fiscal year; altering the calculation of the rebate; altering the type of
9 qualified plug-in electric drive vehicle eligible for a certain motor vehicle excise tax
10 credit; altering the calculation of a certain motor vehicle excise tax credit; ~~extending~~
11 ~~the date by which certain qualified plug-in electric drive vehicles must be titled in~~
12 ~~order to be eligible for a certain credit against the motor vehicle excise tax;~~ extending
13 and increasing for certain fiscal years a requirement to transfer a certain amount
14 from the Strategic Energy Investment Fund to the Transportation Trust Fund to
15 offset certain revenue reductions; extending and increasing for certain fiscal years
16 ~~the authorization to issue a certain amount of motor vehicle excise tax credits; the~~
17 total amount of motor vehicle excise tax credits that may be issued; requiring the
18 Maryland Department of the Environment and the Maryland Department of
19 Transportation to jointly study the ability of the State to meet the demands of the
20 Maryland Clean Car Program which adopted certain vehicle emission standards;
21 requiring the departments, in conducting the study, to consult with certain
22 representatives; specifying the contents of the study; requiring the departments to
23 report their findings and recommendations to the Governor and the General
24 Assembly on or before a certain date; and generally relating to ~~the electric vehicle~~

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.



~~excise tax credit~~ the Electric Vehicle Recharging Equipment Rebate Program and motor vehicle excise tax credits for certain qualified plug-in electric drive vehicles.

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–2009

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 13–815

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Chapter 359 of the Acts of the General Assembly of 2014

Section 2

BY repealing and reenacting, with amendments,

Chapter 360 of the Acts of the General Assembly of 2014

Section 2

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

Article – State Government

9–2009.

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

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

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

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

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

(2) The Administration shall administer the Program.

(c) (1) For fiscal years [2015 through 2017] **2018 THROUGH 2020**, subject to the provisions of this section, an individual, a business entity, or a unit of State or local government may apply to the Administration for an electric vehicle recharging equipment rebate for the costs of acquiring and installing qualified electric vehicle recharging equipment.

(2) For each fiscal year, the total amount of rebates issued by the Administration may not exceed [\$600,000] **\$1,200,000**.

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

(d) Subject to subsection (e) of this section, the Administration may issue an electric vehicle recharging equipment rebate to:

(1) an individual in an amount equal to the lesser of:

(i) [50%] **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) [\$900] **\$700**;

(2) except as provided in item (3) of this subsection, a business entity or unit of State or local government in an amount equal to the lesser of:

(i) [50%] **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) [\$5,000] **\$4,000**; or

(3) a retail service station dealer in an amount equal to the lesser of:

(i) [50%] **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) [\$7,500] **\$5,000**.

(e) An electric vehicle recharging equipment rebate issued under this section is limited to the acquisition of one recharging system per individual.

(f) (1) The Administration may adopt regulations to carry out this section.

(2) The regulations adopted under this subsection may include:

(i) further limitations on the maximum amount of an electric vehicle recharging equipment rebate that may be claimed by an applicant under subsection (d) of this section;

(ii) a requirement that an applicant demonstrate compliance with a State, local, or federal law that applies to the installation or operation of the qualified electric vehicle recharging equipment; and

(iii) any additional application and qualification requirements deemed appropriate by the Administration.

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 a plug-in electric drive vehicle that:

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

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

(3) HAS A TOTAL PURCHASE PRICE NOT EXCEEDING:

(I) FOR A COMMERCIAL VEHICLE, \$125,000; AND

(II) FOR A VEHICLE THAT IS NOT A COMMERCIAL VEHICLE, \$60,000;

(4) HAS A BATTERY CAPACITY OF AT LEAST 5.0 KILOWATT-HOURS;

AND

~~(3)~~ **(5)** Is purchased new and titled for the first time on or after July 1, ~~2014~~ **2017**, but before July 1, ~~[2017]~~ ~~2022~~ **2020**.

(c) Subject to available funding, a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

(d) The credit allowed under this section may not exceed the lesser of:

(1) The product of ~~\$125~~ **\$100** times the number of kilowatt-hours of battery capacity of the vehicle; or

(2) \$3,000.

(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.

Chapter 359 of the Acts of 2014

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years ~~2015, 2016, [and] 2017, 2018, 2019, 2020, 2021, AND 2022~~ AND 2020, respectively, the lesser of ~~\$1,287,000~~ \$2,400,000 or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed ~~\$1,800,000~~ \$3,000,000 during the course of any fiscal year.

Chapter 360 of the Acts of 2014

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years ~~2015, 2016, [and] 2017, 2018, 2019, 2020, 2021, AND 2022~~ AND 2020, respectively, the lesser of ~~\$1,287,000~~ \$2,400,000 or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed ~~\$1,800,000~~ \$3,000,000 during the course of any fiscal year.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) The Maryland Department of the Environment and the Maryland Department of Transportation shall jointly study the ability of the State to meet the

demands of the Maryland Clean Car Program which adopted the California vehicle emission standards set under the California Low Emission Vehicle Program by the California Air Resources Board.

(2) In conducting the study, the departments shall consult with representatives of:

(i) the Alliance of Automobile Manufacturers;

(ii) the Maryland Automobile Dealers Association;

(iii) the environmental community;

(iv) the Maryland Energy Administration; and

(v) any other interested party, as the departments determine appropriate.

(3) Under the study, the departments shall:

(i) evaluate the California zero emission standards and requirements and the status of the State's implementation of, and compliance with, the requirements to meet these standards;

(ii) evaluate the impact of economic, technological, and other relevant factors since the implementation of California's zero emission vehicle standards in the State, including:

1. advances made in, and availability and performance of, low emission vehicles, zero emission vehicles, and transitional zero emission vehicle technology;

2. the cost and retail process of vehicles using this technology;

3. consumer acceptance of the technology, vehicles that use this technology, and the costs associated with this technology; and

4. availability of current and future incentives at federal, State, and local government levels;

(iii) analyze the cost of fuels in the State for low and zero emission vehicles, both electricity and hydrogen, and the residential price to recharge plug-in electric vehicles under available rate structures at private homes and the price to recharge plug-in electric vehicles in public locations;

(iv) analyze the statewide need for additional infrastructure and recharging stations necessary to support low and zero emission vehicles by comparing the needed infrastructure with the currently available and firmly funded future infrastructure;

(v) identify the use of low and zero emission vehicles in federal, State, and local government fleets;

(vi) analyze the impact of the California zero emission standards on the auto manufacturers and car dealers in the State;

(vii) evaluate the environmental impact of the California zero emission standards on the "State Implementation Plan" pursuant to the federal Clean Air Act;

(viii) compare the potential amount of CO2 reduction in the State from the California zero emission standards to all nonCO2 emitting energy sources in the State;

(ix) identify the regulatory and statutory obstacles and barriers at the federal, State, and local levels impeding the use of low and zero emission vehicles in the State; and

(x) analyze the revenue impact to the State on the collection of the motor fuel tax from increased use of low and zero emission vehicles in the State and identify what other states are doing to offset declines in motor fuel tax revenues that may have resulted from the increased use of low and zero emission vehicles.

(4) On or before December 31, 2018, the departments shall report their findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.