

# HOUSE BILL 406

Q5, R4

(7lr0143)

## ENROLLED BILL

— *Environment and Transportation/Finance and Budget and Taxation* —

Introduced by **The Speaker (By Request – Administration) and Delegates Fraser-Hidalgo, Afzali, Anderton, Aumann, Beitzel, Carozza, Cassilly, Ciliberti, Clark, Cluster, Davis, Flanagan, Folden, Hornberger, S. Howard, Jacobs, Kipke, Kittleman, Krebs, Long, Malone, Mautz, McComas, McKay, McMillan, Metzgar, Miele, Otto, Reilly, Simonaire, Szeliga, Vogt, West, B. Wilson, and Wivell ~~Wivell~~, Beidle, Jalisi, and McCray**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Clean Cars Act of 2017**

3 FOR the purpose of extending and altering, for certain fiscal years, the Electric Vehicle  
4 Recharging Equipment Rebate Program and authorization to issue motor vehicle  
5 excise tax credits for certain qualified plug-in electric drive vehicles; increasing the  
6 total amount of rebates that the Maryland Energy Administration may issue each  
7 fiscal year; altering how the rebate is calculated; altering the type of qualified  
8 plug-in electric drive vehicle eligible for a certain motor vehicle excise tax credit;  
9 altering the calculation of a certain motor vehicle excise tax credit; extending and  
10 increasing, for certain fiscal years, the amount required to be transferred from the

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#### 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.

*Italics indicate opposite chamber/conference committee amendments.*



1 Strategic Energy Investment Fund to the Transportation Trust Fund to offset  
2 certain revenue reductions; extending and increasing, for certain fiscal years, the  
3 total amount of motor vehicle excise tax credits that may be issued; and generally  
4 relating to the Electric Vehicle Recharging Equipment Rebate Program and motor  
5 vehicle excise tax credits for certain qualified plug-in electric drive vehicles.

6 BY repealing and reenacting, with amendments,  
7 Article – State Government  
8 Section 9–2009  
9 Annotated Code of Maryland  
10 (2014 Replacement Volume and 2016 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article – Transportation  
13 Section 13–815  
14 Annotated Code of Maryland  
15 (2012 Replacement Volume and 2016 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Chapter 359 of the Acts of the General Assembly of 2014  
18 Section 2

19 BY repealing and reenacting, with amendments,  
20 Chapter 360 of the Acts of the General Assembly of 2014  
21 Section 2

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

24 **Article – State Government**

25 9–2009.

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

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

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

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

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

1 (2) The Administration shall administer the Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 9 Article – Transportation

10 13–815.

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

13 (b) This section applies only to a plug–in electric drive vehicle that:

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

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

16 **(3) HAS A TOTAL PURCHASE PRICE NOT EXCEEDING \$60,000;**

17 **(4) HAS A BATTERY CAPACITY OF AT LEAST 5.0 KILOWATT–HOURS;**

18 AND

19 **[(3)] (5)** Is purchased new and titled for the first time on or after July 1,  
 20 **[2014] 2017**, but before July 1, **[2017] 2020**.

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

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

24 (1) The product of **[\$125] \$100** times the number of kilowatt–hours of  
 25 battery capacity of the vehicle; or

26 (2) \$3,000.

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

28 (1) One vehicle per individual; and

1 (2) 10 vehicles per business entity.

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

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

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

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

### 9 Chapter 359 of the Acts of 2014

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

### 20 Chapter 360 of the Acts of 2014

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
32 1, 2017.