

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1316

(Delegate Lehman, *et al.*)

Environment and Transportation

Education, Health, and Environmental Affairs

Residential Construction - Electric Vehicle Charging

This bill requires a builder of specified new residential buildings, or a builder’s agent, to provide each buyer or prospective buyer with the option to include in the construction of those residential buildings either (1) one or more electric vehicle charging stations capable of providing at least a Level 2 charging level or (2) a dedicated electrical line for one or more charging stations, as specified. The builder (or the builder’s agent) must provide notice of these options and other specified information to each buyer or prospective buyer. The bill applies prospectively and may not be applied or interpreted to have any effect on or application to any new construction for which a building permit is issued before the bill’s effective date.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill’s requirements can likely be handled with existing local resources. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill defines “electric vehicle charging station” as a connected point in an electrical wiring installation at which current is taken to charge a battery or any other energy storage device in an electric vehicle. The bill defines “Level 2 charging” as a Level 2 electric vehicle charging level, as specified by SAE International’s J1772 standards.

The bill applies to the construction of new housing units, including single-family detached homes and townhouses. If the construction of one or more new housing units includes at least one garage, carport, or driveway for *each* housing unit, the builder or the builder's agent must provide each buyer or prospective buyer with the option to include in or on the garage, carport, or driveway (1) an electric vehicle charging station capable of providing at least Level 2 charging or (2) a dedicated electric line of sufficient voltage to support the later addition of an electric vehicle charging station capable of providing at least Level 2 charging. The builder or the builder's agent must give to each buyer or prospective buyer notice of these options in addition to specific information about any available rebate programs related to the purchase or installation of electric vehicle charging stations.

Current Law/Background:

Electric Vehicle Charging Stations in Maryland

According to a U.S. Department of Energy [report](#), as of February 2020, Maryland has more than 650 public electric vehicle charging stations and 1,900 charging outlets, which ranks ninth in the United States in terms of the number of charging stations per state. The U.S. Department of Energy also reports that the average cost of a residential Level 2 electronic charging vehicle station ranges from \$500 to \$2,000 before installation or any incentives.

Sales of Plug-in Vehicles

Plug-in vehicles, which include hybrid-electric vehicles (*e.g.*, the Chevrolet Volt) and vehicles without gasoline-powered motors (*e.g.*, the Nissan Leaf and Tesla), have experienced a recent resurgence in popularity that has led to commercialization of more than two dozen vehicle models from major manufacturers. Although plug-in electric vehicles represent a small percentage of total vehicle sales, the rate of growth in sales for these vehicles has generally been significant.

The Maryland Clean Cars Act of 2007 requires Maryland to adopt a Zero Emissions Vehicle program applicable to vehicles beginning in model year 2011. State regulations require manufacturers to comply with California Zero Emission Vehicle Requirements, which generally rely on the use of a system of credits to ensure that a sufficient number of low- and zero-emission vehicles are sold.

According to data from the Motor Vehicle Administration and the Maryland Electric Vehicle Infrastructure Council (EVIC), only 1 plug-in electric vehicle was registered in Maryland in fiscal 2010, 72 plug-in electric vehicles were registered in fiscal 2011, and 2,597 plug-in electric vehicles were registered in fiscal 2012. Although the number of new registrations for plug-in electric vehicles dropped sharply in fiscal 2013 (with

2,727 total registered electric vehicles), a sharp increase occurred once again in fiscal 2014 and the first half of fiscal 2015. According to EVIC data, in fiscal 2018, the most recent year for which data is available, there were 9,325 plug-in electric vehicles registered in Maryland.

Implementation of Maryland Electric Vehicle Infrastructure Council Recommendations

Chapters 400 and 401 of 2011 established EVIC and required it to develop a plan to expand the adoption of electric vehicles and develop an infrastructure charging network. In its final report issued in December 2012, the council issued several recommendations, including (1) extending EVIC through June 2015; (2) increasing the amount of zero-emission State fleet vehicle purchases to 10% by 2020 and at least 25% by 2025; (3) establishing a grant program for electric vehicle support equipment installation and procurement of transaction management software for multiunit dwellings; and (4) extending the recharging equipment tax credit through December 2016 and the qualified electric vehicle excise tax credit to July 1, 2016.

To implement EVIC's recommendations, Chapters 64 and 65 of 2013 extended EVIC through June 2015. Further, Chapters 359 and 360 of 2014 extended the termination date of the tax credit program through fiscal 2017, altered the value of the tax credits, and replaced the electric vehicle recharging equipment income tax credit with a rebate program. Chapter 378 of 2015 subsequently extended EVIC to June 30, 2020, and shifted the reporting deadline to December 1 of each year, with a final report due June 30, 2020.

One of the recommendations in EVIC's 2018 [annual report](#) was to advocate for the revision of local zoning and planning codes to require plug-in electric vehicle parking spaces in new developments.

Maryland Strategic Energy Investment Fund

Chapters 127 and 128 of 2008 established the Maryland Strategic Energy Investment Fund (SEIF) with the intent to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. Historically, the main source of funding for SEIF has been proceeds from the sale of carbon allowances under the Regional Greenhouse Gas Initiative. In recent years, however, SEIF has also received funds from the Exelon-Constellation/Pepco merger settlements, other Public Service Commission orders, and alternative compliance payments from entities that are required to comply with the State's renewable energy portfolio standard.

According to the SEIF [fiscal 2019](#) annual report, SEIF supports multiple Maryland Energy Administration (MEA) incentive programs to reduce petroleum use and increase the number of alternative fueled vehicles and the amount of alternative fuel refueling/charging

infrastructure in the State. Relevant programs include the Electric Vehicle Recharging Equipment (EVRE) Rebate Program and the Alternative Fuel Infrastructure Program. Beneficiaries include homeowners, businesses, nonprofits, and State and local government entities that install alternative fuel refueling/charging infrastructure or purchase alternative fueled vehicles. In fiscal 2019, SEIF provided 1,050 electric vehicle charger rebates through EVRE.

Electric Vehicle Recharging Equipment Rebate Program

Chapter 402 of 2011 established the electric vehicle recharging equipment tax credit program. In each year, the tax credits issued could not exceed (1) \$400,000 in tax year 2011; (2) \$500,000 in tax year 2012; and (3) \$600,000 in tax year 2013.

Chapter 389 of 2013 extended the tax credit program through tax year 2016, maintaining the maximum credit limitation at \$600,000. SEIF revenues were transferred to the general fund to offset the revenue loss from the tax credit in each of these years.

Chapters 359 and 360 of 2014 replaced the tax credit with a rebate program beginning in fiscal 2015. The total amount of rebates was limited to \$600,000. Chapters 362 and 363 of 2017 extended the rebate program through fiscal 2020, generally decreased the value of the rebates, and increased to \$1.2 million the maximum amount of rebates that could be awarded in each fiscal year.

MEA indicates that in fiscal 2019, it awarded the maximum \$1.2 million in rebates by mid-February 2019. The agency used approximately \$475,000, or 40% of the program's fiscal 2020 funding, to issue rebates to applicants who were on a waitlist from fiscal 2019. MEA has awarded the maximum amount of authorized rebates in fiscal 2020 and is developing a waitlist for applicants who have not received rebates.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City; Montgomery and Prince George's counties; City of Bowie; Department of Housing and Community Development; Maryland Energy Administration; U.S. Department of Energy; Maryland Department of Labor; Department of Legislative Services

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