

# SENATE BILL 126

M3, M5

(PRE-FILED)

2lr1174  
CF HB 60

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By: **Senator Kramer**

Requested: November 1, 2021

Introduced and read first time: January 12, 2022

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Environment – New Motor Vehicles – Pollution Fee**

3 FOR the purpose of establishing a pollution fee to be charged by the Department of the  
4 Environment and collected by the Comptroller on certain new motor vehicles sold or  
5 registered in the State based on certain pollution ratings; exempting certain motor  
6 vehicles from the fee and requiring the Department of Transportation to review the  
7 exemptions; requiring the fee to be deposited in the Maryland Strategic Energy  
8 Investment Fund; and generally relating to a pollution fee on new motor vehicles.

9 BY adding to

10 Article – Environment  
11 Section 2–1209  
12 Annotated Code of Maryland  
13 (2013 Replacement Volume and 2021 Supplement)

14 BY repealing and reenacting, without amendments,

15 Article – State Government  
16 Section 9–20B–05(a)  
17 Annotated Code of Maryland  
18 (2021 Replacement Volume)

19 BY repealing and reenacting, with amendments,

20 Article – State Government  
21 Section 9–20B–05(e)  
22 Annotated Code of Maryland  
23 (2021 Replacement Volume)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



## Article – Environment

2-1209.

(A) A FEE SHALL BE CHARGED BY THE DEPARTMENT AND COLLECTED BY THE COMPTROLLER ON EACH NEW MOTOR VEHICLE SOLD OR REGISTERED IN THE STATE WITH A U.S. ENVIRONMENTAL PROTECTION AGENCY CARBON DIOXIDE POLLUTION RATING EQUAL TO OR HIGHER THAN THE MINIMUM POLLUTION LEVEL.

(B) THE FEE SHALL BE BASED ON THE RATING BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY OF THE CARBON DIOXIDE TAILPIPE EXHAUST OF PASSENGER VEHICLES AND LIGHT TRUCKS.

(C) THE MINIMUM POLLUTION LEVEL SHALL:

(1) BE 400 GRAMS PER MILE IN THE 2023 MODEL YEAR; AND

(2) DECREASE EACH MODEL YEAR BY 10 GRAMS PER MILE.

(D) THE FEE SHALL BE \$1.25 TIMES THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S POLLUTION RATING OF THE MOTOR VEHICLE IN ITS MODEL YEAR.

(E) (1) THE FEE MAY NOT BE ASSESSED ON THE FOLLOWING TYPES OF MOTOR VEHICLES:

(I) COMMERCIAL VEHICLES USED FOR TRANSPORTING GOODS;

(II) AGRICULTURAL VEHICLES;

(III) PUBLIC TRANSPORTATION VEHICLES;

(IV) AMBULANCES; AND

(V) STATE-, COUNTY-, OR MUNICIPALITY-OWNED VEHICLES THAT ARE NOT USED STRICTLY AS PASSENGER VEHICLES.

(2) ON OR BEFORE JULY 1, 2029, THE DEPARTMENT OF TRANSPORTATION:

(I) SHALL REVIEW THE EXEMPTIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

1                   **(II) MAY RECOMMEND TO THE SECRETARY THE MODIFICATION**  
2 **OR ELIMINATION OF ANY OF THE EXEMPTIONS.**

3           **(F) MONEY COLLECTED FROM THE FEE ON NEW MOTOR VEHICLES UNDER**  
4 **THIS SECTION SHALL BE:**

5                   **(1) DEPOSITED INTO THE MARYLAND STRATEGIC ENERGY**  
6 **INVESTMENT FUND ESTABLISHED UNDER § 9–20B–05 OF THE STATE GOVERNMENT**  
7 **ARTICLE; AND**

8                   **(2) USED TO:**

9                           **(I) PROVIDE REBATES ON THE SALE OF ELECTRIC VEHICLES;**

10                           **(II) PURCHASE ELECTRIC TRANSIT AND SCHOOL BUSES; AND**

11                           **(III) EXPAND ELECTRIC VEHICLE INFRASTRUCTURE.**

12   **Article – State Government**

13 9–20B–05.

14           (a) There is a Maryland Strategic Energy Investment Fund.

15           (e) The Fund consists of:

16                   (1) all of the proceeds from the sale of allowances under § 2–1002(g) of the  
17 Environment Article;

18                   (2) money appropriated in the State budget to the Program;

19                   (3) repayments and prepayments of principal and interest on loans made  
20 from the Fund;

21                   (4) interest and investment earnings on the Fund;

22                   (5) compliance fees paid under § 7–705 of the Public Utilities Article;

23                   (6) money received from any public or private source for the benefit of the  
24 Fund; [and]

25                   (7) money transferred from the Public Service Commission under §  
26 7–207.2(c)(3) of the Public Utilities Article; AND

27                   **(8) MONEY COLLECTED FROM THE NEW MOTOR VEHICLE POLLUTION**

1 FEE ESTABLISHED UNDER § 2-1209 OF THE ENVIRONMENT ARTICLE AND  
2 DEPOSITED INTO THE FUND.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2022.