

Chapter 97

(House Bill 230)

AN ACT concerning

**Department of the Environment – Zero-Emission Medium- and Heavy-Duty
Vehicles – Regulations
(Clean Trucks Act of 2023)**

FOR the purpose of requiring the Department of the Environment to adopt regulations on or before a certain date establishing requirements for the sale of new zero-emission medium- and heavy-duty vehicles in the State; requiring the Department, in consultation with certain units of State government, to prepare and submit to the General Assembly a certain needs assessment and deployment plan; authorizing the Department to delay implementation of regulations adopted under this Act under certain circumstances; altering the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program by altering the definition of “grant” and “qualified medium-duty or heavy-duty zero-emission vehicle”, limiting the application of the Program, and requiring the Maryland Energy Administration to give preference to certain vehicles and equipment in issuing Program grants; altering and repealing certain mandatory appropriations from the Strategic Energy Investment Fund for certain fiscal years; and generally relating to the sale of zero-emission vehicles in the State.

BY adding to

Article – Environment

Section 2-1103.1

Annotated Code of Maryland

(2013 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,Article – State GovernmentSection 9-2011Annotated Code of Maryland(2021 Replacement Volume and 2022 Supplement)

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

Article – Environment**2-1103.1.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “HEAVY-DUTY VEHICLE” MEANS A VEHICLE WITH A GROSS VEHICLE WEIGHT RATING EQUAL TO OR GREATER THAN 14,001 POUNDS.

(3) “MEDIUM-DUTY VEHICLE” MEANS A VEHICLE WITH A GROSS VEHICLE WEIGHT RATING OF NOT LESS THAN 8,501 POUNDS AND NOT MORE THAN 14,000 POUNDS.

(B) (1) ON OR BEFORE DECEMBER 1, 2023, THE DEPARTMENT SHALL ADOPT REGULATIONS ESTABLISHING REQUIREMENTS FOR THE SALE OF NEW ZERO-EMISSION MEDIUM- AND HEAVY-DUTY VEHICLES IN THE STATE.

(2) THE REGULATIONS ADOPTED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:

(I) UPDATE EXISTING REGULATIONS; ~~AND~~

(II) INCORPORATE BY REFERENCE THE CALIFORNIA AIR RESOURCES BOARD’S ~~VEHICLE STANDARDS~~ ADVANCED CLEAN TRUCKS REGULATIONS, AS REVISED AND UPDATED; AND

(III) SUBJECT TO SUBSECTION (D) OF THIS SECTION, TAKE EFFECT STARTING WITH MODEL YEAR 2027.

(C) (1) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT OF GENERAL SERVICES, THE MARYLAND ENERGY ADMINISTRATION, AND THE PUBLIC SERVICE COMMISSION, SHALL PREPARE A NEEDS ASSESSMENT AND DEPLOYMENT PLAN RELATING TO THE SUCCESSFUL IMPLEMENTATION OF REGULATIONS ADOPTED UNDER THIS SECTION.

(2) THE NEEDS ASSESSMENT AND DEPLOYMENT PLAN SHALL ASSESS AND PLAN FOR:

(I) THE ADDITIONAL ELECTRICAL CAPACITY, TRANSMISSION, DISTRIBUTION DEMANDS, AND HYDROGEN FUELING DEMANDS THAT WILL RESULT FROM IMPLEMENTATION OF THE REGULATIONS, AND THE ABILITY OF THE STATE’S ELECTRIC UTILITIES, GRID, AND HYDROGEN INFRASTRUCTURE TO MEET THOSE DEMANDS, BASED ON PUBLICLY AVAILABLE INFORMATION AND EXISTING ANALYSES;

(II) THE NUMBER OF ZERO-EMISSION MEDIUM- AND HEAVY-DUTY VEHICLE RECHARGING AND REFUELING STATIONS RECOMMENDED

FOR IMPLEMENTATION OF THE REGULATIONS, AND THE COSTS, PERMITTING PROCESSES, AND TIMELINES FOR INSTALLING THOSE STATIONS;

(III) THE PURCHASE INCENTIVES AND OTHER MECHANISMS RECOMMENDED FOR SUCCESSFUL IMPLEMENTATION OF THE REGULATIONS, INCLUDING INCENTIVES FOR RECHARGING AND REFUELING STATIONS AND RELATED INFRASTRUCTURE, AND THE EXISTING AND POTENTIAL SOURCES OF FUNDING FOR THOSE INCENTIVES AND MECHANISMS; AND

(IV) THE TIMELINE, ECONOMIC FEASIBILITY, AND MODELS AVAILABLE FOR TRANSITIONING MEDIUM- AND HEAVY-DUTY VEHICLES IN THE STATE VEHICLE FLEET, INCLUDING STATE-CONTRACTED MEDIUM- AND HEAVY-DUTY VEHICLES, TO ZERO-EMISSION VEHICLES.

(3) ON OR BEFORE DECEMBER 1, 2024, THE DEPARTMENT SHALL SUBMIT THE NEEDS ASSESSMENT AND DEPLOYMENT PLAN TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

(D) THE DEPARTMENT MAY DELAY IMPLEMENTATION OF THE REGULATIONS AUTHORIZED UNDER THIS SECTION BY ONE OR MORE MODEL YEARS IF, AFTER CONSULTING WITH THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT OF GENERAL SERVICES, THE MARYLAND ENERGY ADMINISTRATION, AND THE PUBLIC SERVICE COMMISSION, THE DEPARTMENT DETERMINES, BASED ON CRITERIA IDENTIFIED THROUGH THE NEEDS ASSESSMENT AND DEPLOYMENT PLAN, THAT IMPLEMENTATION OF THE REGULATIONS IS NOT YET FEASIBLE.

Article – State Government

9-2011.

(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%] 75% of the INCREMENTAL 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) “INCREMENTAL COST” MEANS THE DIFFERENCE IN PRICE OF:

(I) A CONVENTIONAL MODEL VEHICLE AND A ZERO-EMISSION MODEL THAT IS ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE VEHICLE; OR

(II) CONVENTIONAL HEAVY EQUIPMENT PROPERTY AND ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE EQUIPMENT.

(4) “Program” means the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program.

[(4)] (5) “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] 10,000 POUNDS GROSS VEHICLE WEIGHT;** and

(ii) powered by electricity that is stored in a battery or produced by a hydrogen fuel cell.

[(5)] (6) “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 property.

[(6)] (7) (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 PROGRAM APPLIES ONLY TO VEHICLES AND EQUIPMENT INTENDED FOR COMMERCIAL OR INDUSTRIAL USE.

(3) The Administration shall administer the Program.

(c) (1) For each of fiscal years 2024 through 2027, 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.

(3) IN ISSUING PROGRAM GRANTS, THE ADMINISTRATION SHALL GIVE PREFERENCE TO:

(I) QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY ZERO-EMISSION VEHICLES THAT ARE:

1. EXPECTED TO BE PRIMARILY DOMICILED AND OPERATED IN THE STATE; AND

2. TO BE OWNED OR OPERATED BY AN ENTITY ENGAGED IN BUSINESS ACTIVITY THAT IMPACTS PUBLIC HEALTH, THE ENVIRONMENT, OR INFRASTRUCTURE IN AN OVERBURDENED OR UNDERSERVED COMMUNITY, AS DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE; AND

(II) ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS EXPECTED TO BE USED PRIMARILY AT LOCATIONS IN THE STATE.

(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] **\$10,000,000** from the Strategic Energy Investment Fund for grants for qualified **NEWLY MANUFACTURED** medium-duty or heavy-duty zero-emission vehicles **OR ZERO-EMISSION HEAVY EQUIPMENT PROPERTY** 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 grants for zero-emission heavy equipment property under the Program.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.

Approved by the Governor, April 21, 2023.