

DRAFT for Consideration at March 14, 2024 Meeting

House Environment and Transportation Committee
Senate Education, Energy, and the Environment Committee
Senate Judicial Proceedings Committee
House Economic Matters Committee
House Ways and Means Committee
Senate Budget and Taxation Committee

Re: Zero Emission Electric Vehicle Infrastructure Council (ZEEVIC) Legislative Positions

Dear Chair Korman, Chair Feldman, Chair Smith, Chair Wilson, Chair Atterbeary, Chair Guzzone and Committee Members:

Maryland's Zero Emission Electric Vehicle Infrastructure Council (ZEEVIC) has reviewed the 2024 legislation below and respectfully offers the following statements of position.

About ZEEVIC

The Maryland General Assembly established ZEEVIC (originally the Electric Vehicle Infrastructure Council, or EVIC) via legislation in 2011 and expanded it in 2019. ZEEVIC's mission is to evaluate zero emission vehicle (ZEV) ownership and charging station incentives; develop recommendations for a statewide infrastructure plan; and propose policies to promote the successful integration of EVs into Maryland's communities and transportation system. ZEEVIC's responsibilities are directly related to helping Maryland meet its greenhouse gas emissions reduction goals and support its transition to a clean transportation economy.

ZEEVIC **supports** the following bills:

• <u>HB 0064</u>: **Motor Vehicle Excise Tax – Tax Credit for Electric Vehicles – Eligibility.** This bill expands eligibility for Maryland's \$3,000 electric vehicle (EV) excise tax credit – which currently applies only to new vehicles – to also include used vehicles.

<u>Comment</u>: The aftermarket for used EVs represents a growing segment of EV sales and is key to expanding EV adoption among low- and moderate-income (LMI) households. This bill will support Maryland's EV adoption goals by helping make the purchase of a used EV more affordable, thereby supporting EV adoption both overall and in a more equitable manner among LMI households.

HB 0156: Transportation – Electric Bicycle Rebate and Voucher Program –
 Establishment. This bill establishes a rebate and voucher program for income-qualifying

individuals in the amount of \$2,000 for electric bicycles (e-bikes) and lesser amounts for associated e-bike components and infrastructure.

<u>Comment</u>: E-bikes are an affordable and effective means of transportation and have become a primary mode of transportation for many households. This bill will make e-bike ownership and usage more affordable for LMI households, thereby enabling more zero emission mobility options for more Marylanders.

• HB 0159 / SB 0465: Common Ownership Communities – Electric Vehicle Recharging Equipment (Electric Vehicle Recharging Equipment Act of 2024). This bill expands Maryland's "right to charge" protection, which currently applies to condominiums and homeowner associations (HOAs), to include common ownership communities (COCs), and expands the definition of charging equipment to include chargers for e-bikes, among other provisions.

<u>Comment</u>: By ensuring the right of COC residents to purchase and install at-home charging, and also by including e-bike chargers under the "right-to-charge" protection, this bill will allow more Marylanders to benefit from driving and riding electric and will help support Maryland's ZEV adoption and emissions reduction goals.

HB 0437 / SB 0553: Maryland Zero Emission Electric Vehicle Infrastructure Council –
 Membership. This bill expands ZEEVIC's membership to include additional stakeholders
 such as the Department of General Services.

<u>Comment</u>: The ZEV transition affects multiple aspects of Maryland's economy. By adding additional voices to ZEEVIC, this bill will facilitate consideration of more perspectives and enable greater collaboration among stakeholders.

• <u>HB 0652</u>: **Vehicle Laws** - **Electric Vehicles** - **Weight Limits**. This bill allows trucks and other vehicles to exceed weight limits by up to 2,000 lbs if they are primarily powered by electric drive motors.

<u>Comment</u>: Battery electric vehicles generally weigh more than comparable combustion engine vehicles. To offset this additional battery weight, operators of electric semis and other trucks must often reduce the weight of their payloads. This in turn can reduce revenue and be a disincentive to electrifying the trucking sector. This bill will help mitigate this disincentive and support electrification of medium- and heavy-duty trucks in Maryland. More than ten other states have enacted similar 2,000-lb weight exemption bills, including neighboring Pennsylvania and Virginia.

• <u>HB 0689</u>: Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate Program. This bill effectively converts Maryland's ZEV excise tax credit program into a rebate program for the dealer to administer at the point of sale, for vehicles purchased and titled between July 1, 2025 and June 30, 2027.

<u>Comment</u>: By converting Maryland's ZEV tax credit into a rebate, this bill will enable ZEV buyers to immediately benefit from the incentive at the time of purchase, rather than paying or financing the full purchase price up front and waiting until filing taxes the following year to receive the incentive.

- <u>HB 0889</u> / <u>SB 0695</u>: Building Code Construction and Significant Renovation of Housing Units Electric Vehicle Parking Spaces. This bill establishes EV-ready minimum requirements that increase over time for new construction or significant renovation of multifamily buildings.
 - AND -
- HB 1279 / SB 1023: Maryland Building Performance Standards Fossil Fuel Use, Energy Conservation, and Electric- and Solar-Ready Standards (Better Buildings Act of 2024).

 This bill establishes standards for certain types of new construction that include minimum EV-ready electrical requirements which vary depending on the type of building. The bill also defers to the International Energy Conservation Code (IECC) standards if the IECC standards are more stringent.

<u>Comment</u>: ZEEVIC supports the goals of these two sets of companion bills to establish EV-ready requirements for new construction. It is far less expensive to plan, design, engineer, and install charging infrastructure at the time a building is being built than to retrofit existing construction. By establishing EV-ready requirements for certain types of buildings such as multifamily, these bills also will help enable more equitable charging access, because multifamily households are an underserved segment when it comes to EV charging.

ZEEVIC **opposes** the following bill:

HB 1247 / SB 1063: Environment - Advanced Clean Cars II Program - Application and Enforcement. The Advanced Clean Cars II (ACC II) Program, which Maryland adopted in 2023, requires automakers to deliver an increasing percentage of light-duty zero-emission or hybrid vehicles with each subsequent model year beginning with Model Year (MY) 2027. This bill prohibits the State from implementing the ACC II Program prior to MY 2030, and further prevents the State from enforcing the Program.

<u>Comment</u>: By delaying ACC II implementation and preventing enforcement of it, this bill would hinder ZEV adoption in Maryland and serve as a barrier to realizing the associated benefits. The ACC II Program is a pivotal linchpin for accelerating adoption of ZEVs in Maryland and reducing transportation-related greenhouse gas emissions and air pollutants.

ZEEVIC takes **no position** on the following bills:

• <u>HB 0774</u>: Motor Vehicles - Certificate of Title Fees - Zero-Emission Plug-In Electric Drive Vehicles. This bill establishes a \$200 certificate of title fee for EVs.

- HB 0913: Motor Vehicles Registration Annual Surcharge. This bill establishes an
 additional motor vehicle registration surcharge of \$100 for EVs and fuel cell vehicles, and
 \$75 for other vehicles, to be paid into the Transportation Trust Fund. The revenues from
 the EV surcharge are to fund the purchase of ZEV or alternative-fuel buses, and/or ZEV
 or hybrid vehicles for the state fleet.
- HB 1280 / SB 1076: Sales and Use Tax Electricity to Charge Electric Vehicles –
 Transportation Trust Fund. This bill requires the Comptroller to distribute the sales and use tax received from the sale of electricity used in commercial and other non-residential charging of EVs to the Transportation Trust Fund.
- SB 1065: Motor Vehicles Registration Annual Surcharge. This bill requires a ZEV owner to pay an additional annual \$100 surcharge, adjusted annually for inflation, to be allocated to the Transportation Trust Fund. The State is to use those proceeds to fund the purchase of ZEV or alternative-fuel buses, and/or ZEV or hybrid vehicles for the state fleet.

<u>Comment</u>: These four bills would each establish different mechanisms and amounts for ZEVs to contribute to State revenues. ZEEVIC believes ZEVs should contribute their fair share to the Transportation Trust Fund (TTF). However, ZEEVIC considers it premature to take a position on these bills until the Maryland Commission on Transportation Revenue and Infrastructure Needs (the TRAIN Commission) issues its Final Report. The TRAIN Commission is required to review, evaluate, and make recommendations concerning the funding sources and structure of the TTF, and to issue its Final Report prior to the 2025 legislative session.

Each statement of position above represents a consensus viewpoint of ZEEVIC's diverse stakeholder membership. Individual ZEEVIC members may reach out separately to share additional perspective on bills.

Additional information about ZEEVIC's membership, mission, and goals are available in the attached handout. Also attached please find ZEEVIC's 2023 Maryland ZEV Policy Scorecard.

Thank you for your consideration of ZEEVIC's statements of position. If you have questions or if I can provide further information, please feel free to email zeevic@mdot.maryland.gov.

Respectfully,

Josh Cohen
Chair, Legislative Working Group
ZEEVIC

Attachments