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Executive Nominations Committee

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Joint Committee on Legislative Ethics

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Honorable Brian J. Feldman
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
RE: SB1063 Environment – Advanced Clean Cars II Program – Application and Enforcement

Dear Chairman and Members of the Committee,

Senate bill 1063 is an attempt to better align the timing of the California EV mandate with the needs and interests of Maryland residents and businesses by extending the adoption of the regulations by 3 years (2030). Further, the bill eliminates financial penalties on auto manufacturers so that they are not incentivized to disrupt Maryland's auto sales economy.

When Maryland first adopted the California Car program in 2007, the General Assembly, after much debate and following the failure of the legislation in prior years, passed a law authorizing the State of Maryland to follow the California vehicle emissions standards for new vehicles. The General Assembly had the opportunity to fully consider the benefits and impacts of the California rules.

The 2007 action differs from today in two material ways – first, the new California Advanced Clean Car II standards were adopted by the Md Department of Environment last year by regulation – not legislation before this body; and second, the 2007 California standard contained a “registration” requirement – meaning that Marylanders could not title or register a vehicle in this state unless it met the California emission control standards. The new ACCII standard does not involve “registration” – it is a mandate that each manufacturer must ship to Maryland dealers a certain percentage of cars meeting the EV clean emissions rule. For example, in Model Year 2027, that ‘ship in’ requirement is 43% -- and it rises each year thereafter until it reaches 100%.

Maryland's experience from the 2007 adoption of the California standard did not disrupt our auto sales industry – largely due to two factors (1) the registration requirement meant buyers could not purchase non-California cars from other states and register them here; and (2) soon after the CA standards were adopted, the federal government enhanced the national emissions rules and soon manufacturers were producing 50-State cars that met both CA standards and federal standards. Thus, Maryland dealers were able to meet customers' demand with these 50-State certified cars.

SB1063 is the General Assembly's first opportunity to consider legislation on the new ACCII requirements and I believe the importance of the issues involved in this new standard deserves our thoughtful consideration.

SB1063 will send a clear message to the manufacturers that we want them to continue to produce clean vehicles, including EVs and PHEVs (Plug In Hybrid EVs), but that we will not penalize them for failing to meet the ratio established by the State of California.

I encourage the Committee to work with the manufacturers, dealers, MDE and other advocates to reach the right balance. I request the Committee give SB1063 a favorable report.