

**Department of Legislative Services**  
 Maryland General Assembly  
 2023 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 7 (Delegate Fraser-Hidalgo)  
 Environment and Transportation

**Electric Vehicle Recharging Equipment Rebate Program – Renewal**

This bill extends the Electric Vehicle Recharging Equipment Rebate Program through fiscal 2027, increases the maximum amount of rebates the Maryland Energy Administration (MEA) may award in each fiscal year to \$2.0 million, and requires the Governor to include at least \$2.0 million from the Strategic Energy Investment Fund (SEIF) for the program in the annual budget bill, for fiscal 2025 through 2027. The bill also makes specified changes to criteria applicable to the issuance of rebates under the program. **The bill takes effect July 1, 2023.**

**Fiscal Summary**

**State Effect:** Special fund expenditures increase by \$2.0 million in FY 2024 through 2027. Revenues are not materially affected. **This bill establishes a mandated appropriation in FY 2025 through 2027.**

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	\$2.0	\$2.0	\$2.0	\$2.0	\$0
Net Effect	(\$2.0)	(\$2.0)	(\$2.0)	(\$2.0)	\$0.0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local governments may benefit as eligible applicants under the extended program.

**Small Business Effect:** Potential meaningful.

## Analysis

**Bill Summary:** The bill extends through fiscal 2027 the Electric Vehicle Recharging Equipment Rebate Program and increases from \$1.8 million to \$2.0 million the maximum amount of rebates MEA may award in each fiscal year. The bill requires – irrespective of existing provisions specifying the allocation of SEIF revenues from the sale of Regional Greenhouse Gas Initiative allowances among various uses – that, for fiscal 2025 through 2027, the Governor include in the annual budget bill an appropriation of at least \$2.0 million from SEIF for the program.

The bill also (1) eliminates a higher maximum rebate available to retail service stations that is \$1,000 higher than the maximum available to other business entities and units of State or local government; (2) modifies an existing requirement that a rebate be limited to the acquisition of one recharging system per individual by specifying that a rebate is limited to the acquisition of one recharging system per individual *per address*; and (3) authorizes MEA to alter the program to offer additional benefits for the installation of qualified electric vehicle recharging equipment in multifamily housing, planned urban developments, and condominiums located in environmental justice communities.

**Current Law:** The Electric Vehicle Recharging Equipment Rebate Program, administered by MEA, authorizes, for fiscal 2021 through 2023, an individual, a business entity, or a unit of State or local government to apply to MEA for an electric vehicle recharging equipment rebate for the costs of acquiring and installing qualified electric vehicle recharging equipment. The rebate is equal to 40% of the costs of acquiring and installing qualified electric vehicle recharging equipment, up to a maximum of \$700 for individuals, \$4,000 for business entities (other than retail service stations) and units of State and local government, and \$5,000 for retail service stations. An electric vehicle recharging equipment rebate is limited to the acquisition of one recharging system per individual.

MEA may award an annual maximum of \$1.8 million in rebates each fiscal year and is authorized to use SEIF to provide rebates under the program.

**State Fiscal Effect:** Special fund expenditures increase by \$2.0 million in fiscal 2024 through 2027, reflecting (1) the bill’s extension of the Electric Vehicle Recharging Equipment Rebate Program through fiscal 2027; (2) the bill’s requirement that the Governor include at least \$2.0 million from SEIF for the program in the annual budget bill for fiscal 2025 through 2027; and (3) an assumption that \$2.0 million is spent on the program in fiscal 2024 in addition to fiscal 2025 through 2027, fully funding the \$2.0 million total amount of rebates that are authorized to be issued. The fiscal 2024 budget as introduced includes \$4.6 million in special funds for the program (which is beyond what is needed to implement the bill in fiscal 2024).

Because funding is provided for the program in the fiscal 2024 budget as introduced, it is assumed sufficient funding is available to implement the bill in fiscal 2024 without affecting other SEIF programs. However, funding for other SEIF programs may be reduced in fiscal 2025 through 2027 if sufficient funds are not available to support the bill's increased expenditures.

Units of State government are eligible applicants under the rebate program and benefit to the extent they apply for rebates under the extended program.

**Local Fiscal Effect:** Local governments are eligible applicants under the rebate program and benefit to the extent they apply for rebates under the extended program.

**Small Business Effect:** Small businesses are eligible applicants and benefit to the extent they apply for rebates under the extended program.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see HB 894 of 2022.

**Designated Cross File:** None.

**Information Source(s):** Maryland Association of Counties; Maryland Municipal League; Department of Budget and Management; Department of General Services; Department of Housing and Community Development; Maryland Department of Transportation; Maryland Energy Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2023  
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