

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 477

(Senator Feldman)

Education, Energy, and the Environment

Rules and Executive Nominations

Residential Construction - Electric Vehicle Charging

This bill requires the construction of a new housing unit to include in or on the garage, carport, or driveway (1) one dedicated parking space with electric vehicle (EV) supply equipment that is fully installed (“EVSE-installed parking space”) or (2) one EV-ready parking space. The bill further requires the Maryland Energy Administration (MEA) to study the cost of requiring EV-ready and EVSE-installed parking spaces at multifamily residential buildings and related issues. MEA must report its findings and recommendations to the Governor and the General Assembly by December 1, 2023. The bill applies only prospectively and does not affect any new construction for which a complete commercial or residential service request is made to the local utility or a development application or building permit application is filed with a county or municipality before the bill’s effective date.

Fiscal Summary

State Effect: Special fund expenditures increase by up to \$250,000 in FY 2024 only for MEA to hire a consultant to complete the required study. No effect on State revenues.

Local Effect: Any local enforcement of the bill’s requirements can likely be handled with existing local resources. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Inclusion of Electric Vehicle Parking Spaces

“Housing units” means (1) single-family detached houses; (2) duplexes; and (3) town houses that are subject to the provisions of the International Residential Code. “Housing units” does not include multifamily residential buildings that are subject to the provisions of the International Building Code.

The bill repeals the requirement that builders (or their agents) provide each buyer or prospective buyer with the *option* to include in or on the garage, carport, or driveway specified equipment related to the charging of EVs and instead *requires* the inclusion of one EVSE-installed parking space or one EV-ready parking space.

The bill authorizes a county or municipality, notwithstanding any other law, to require the construction of housing units to include a greater number of EVSE-installed parking spaces or EV-ready parking spaces than required under the bill.

Study on Electric Vehicle Parking Spaces and Related Costs

MEA must study (1) the cost of requiring multifamily residential buildings to include EV-ready and EVSE-installed parking spaces; (2) the appropriate ratio of EVSE-installed parking spaces to dwelling units in a multifamily residential building to support the State’s greenhouse gas emissions reduction goals; and (3) different options for paying for charging an electric vehicle at an EVSE-installed parking space at multifamily residential buildings, as specified.

The study must include estimates of the cost to (1) include EV-ready or EVSE-installed parking spaces at newly constructed multifamily residential buildings and (2) retrofit existing multifamily residential buildings with EV-ready or EVSE-installed parking spaces. These cost estimates must include separate estimates:

- for EV-ready and EVSE-installed parking spaces;
- based on the following assumptions: (1) that at least 10% of the parking spaces will be required to be EV-ready or EVSE-installed; (2) that at least 25% of the parking spaces will be EV-ready or EVSE-installed; and (3) that at least 50% of the parking spaces will be required to be EV-ready or EVSE-installed; and
- for the following categories of parking: (1) open air parking lots; (2) underground parking structures; and (3) parking garages.

The study must also include estimates of, in consultation with the Maryland Department of the Environment (MDE), the number of electric vehicles that will be on the road in the State in each year from 2024 through 2050, inclusive, after the State adopts the California Advanced Clean Cars II regulations.

Current Law:

Electric Vehicle Charging Stations

Chapter 629 of 2021 establishes requirements for builders or builder's agents regarding the inclusion of EV charging stations for newly constructed housing units, including single-family detached homes and townhouses. If the construction of one or more new housing units includes at least one garage, carport, or driveway for each housing unit, the builder or the builder's agent must provide each buyer or prospective buyer with the option to include in or on the garage, carport, or driveway (1) an EV charging station capable of providing at least Level 2 charging or (2) a dedicated electric line of sufficient voltage to support the later addition of an EV charging station capable of providing at least Level 2 charging. The builder or the builder's agent must give to each buyer or prospective buyer notice of these options in addition to specific information about any available rebate programs related to the purchase or installation of EV charging stations. Chapter 629 does not apply to multifamily residential buildings or significant renovations of existing housing units.

Electric Vehicle Recharging Equipment Rebate Program

The Electric Vehicle Recharging Equipment Rebate Program, administered by MEA, provides rebates to individuals, businesses, and State and local governments. The rebate is equal to 40% of the cost of property that is located in the State and used for recharging vehicles propelled by electricity, subject to specified maximum values. MEA may also reimburse a person for the reasonable costs of installing the qualifying equipment. Funding for these rebates is provided by the Strategic Energy Investment Fund. The fiscal 2024 budget as introduced includes \$4.6 million in funding for the rebate program.

Adoption of California Regulations

Pursuant to the federal Clean Air Act (CAA), vehicles sold in the United States must be certified under one of two certification programs: (1) the federal program (Tier 2); or (2) the California program (the Clean Car Program). Section 177 of the CAA Amendments of 1990 provides states the ability to adopt the California program in lieu of the federal program as long as the adopted state program is identical to the California program and the state allows two model years lead time from adoption to implementation.

The Maryland Clean Cars Act of 2007 (Chapters 111 and 112) requires MDE to adopt regulations implementing the California Clean Car Program (also referred to as the California Low Emissions Vehicle Program, or CAL LEV) in Maryland. Maryland's implementing regulations adopted, through incorporation by reference in COMAR 26.11.34.02, the applicable California regulations. The CAL LEV program is a dynamic, changing program in which many of the relevant California regulations are continuously updated. To retain California's standards, Maryland must remain consistent with its regulations, which means when California updates its regulations, Maryland must reflect those changes by amending State regulations. Of note, on August 25, 2022, the California Air Resources Board adopted the Advanced Clean Cars II regulation requiring that all new cars and light trucks sold in California be zero emission vehicles, including a certain percentage of plug-in hybrid electric vehicles, by 2035.

State Expenditures: MEA advises that it does not have the expertise to conduct the required study related to the installation of EV parking spaces at multifamily residential buildings. Accordingly, special fund expenditures for MEA increase by up to \$250,000 in fiscal 2024 only to hire a consultant to complete the required study and the related report.

MDE can consult on the study with existing resources.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1146 of 2022.

Designated Cross File: HB 830 (Delegate Terrasa, *et al.*) - Environment and Transportation.

Information Source(s): Calvert, Howard, and Prince George's counties; City of Annapolis; Maryland Department of Labor; Maryland Energy Administration; Public Service Commission; Maryland Department of the Environment; Department of Legislative Services

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