



March 25, 2021

The Honorable Dolores G. Kelley
Chair, Senate Finance Committee
Miller Senate Office Building
Annapolis, Maryland 21401

HB 44: Clean Cars Act of 2021

Position: Favorable

Chair Kelley:

On behalf of the Alliance for Automotive Innovation¹ (Auto Innovators), we are writing to express our support for HB 44, as introduced. HB 44 will provide critical funding for Maryland's electric vehicle (EV) tax credit. The program has proven so popular that funding was depleted for the entire fiscal year before it even began on July 1, 2019.

As automobile manufacturers continue making significant investments to bring more plug-in and fuel cell electric vehicles to the marketplace – providing more driving range, affordability, and consumer choice – now is the time for Maryland to reaffirm its commitment to this shared responsibility. It is critical for states and automakers to work together to spur zero emission vehicle (ZEV) adoption.

Maryland's EV Market

Maryland previously set a goal of 60,000 ZEVs on the road by 2020 and 300,000 ZEVs by 2025. In 2020, EV sales accounted for only 2.6% of all new vehicle sales in Maryland. To date, approximately 30,000 ZEVs have been sold in Maryland, well short of its goals.² With California's announcement³ to phase out the sale of gasoline-powered vehicles by 2035, Maryland will face an even higher level of required sales due to its participation in California's ZEV mandate.

Industry Efforts to Support EV Deployment

Auto Innovators and our member companies are committed to the long-term goals of lower carbon transportation, and our companies are actively working to reduce greenhouse gas and criteria emissions, improve vehicle fuel economy, and increase the number of advanced technology vehicles. Vehicles on the road today produce near-zero levels of tailpipe criteria emissions, a 99% improvement over vehicles in the 1970's, and on average, vehicles have increased fuel efficiency by

¹ Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S.

² <https://opendata.maryland.gov/Transportation/MVA-Electric-and-Hybrid-Vehicle-Registrations-by-C/qtcv-n3tc/data>

³ <https://www.gov.ca.gov/2020/09/23/governor-newsom-announces-california-will-phase-out-gasoline-powered-cars-dramatically-reduce-demand-for-fossil-fuel-in-californias-fight-against-climate-change/>

30% since 2004.⁴

Automakers have invested tens of billions of dollars over the last ten years in every facet of EV technology—from batteries (including manufacturing and cell materials) to fuel cell stack design and production, electric motors to battery cell controllers, vehicle types and capabilities, etc. Our industry’s investments in vehicle electrification are not slowing; investments are expected to reach over \$250 billion globally by 2023.⁵ Because of this massive industry-wide investment in technology development, around 130 electric vehicle models are expected to be available by 2025. With availability of models increasing rapidly, there will be more options to meet a wider variety of customer needs, and in general, all states – especially those with EV incentives and growing infrastructure investments – will have more available EVs for sale.

However, automotive industry investments alone are not enough to ensure the success of the EV market and a low-carbon future. Increasing customer demand for EVs is critical to increasing market penetration of the vehicles, and time and time again, studies have shown that purchase incentives and the accessibility of charging/fueling infrastructure are key parameters to increasing customer demand. With the number of EVs expected to come to market, it is no longer a matter of if automakers will offer the technology, but instead, whether the U.S. and individual states have properly planned and invested in preparing for the vehicles.

Unfortunately, some states have also erected barriers within their incentive programs further hindering the EV market. These barriers include favoring one form of EV technology over another and limiting vehicle eligibility based on price caps or a consumer’s income. They send the wrong signals to consumers and may move consumers away from choosing an EV, stunting necessary early growth in the EV market. A healthy new EV market ultimately leads to the availability of used EVs in the market, which can better align with customers’ purchasing preferences.

We fully support the state of Maryland’s efforts to promote EV adoption through funding for electric vehicle purchase and infrastructure incentives – actions necessary and critical to the state’s environmental goals and increasing consumer interest – and look forward to working with the state to achieve these goals.

Thank you in advance for your consideration of our views. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Respectfully submitted,



Josh Fisher
Director, State Affairs

⁴ U.S. EPA. “Automotive Trends Report: Highlights of the Automotive Trends Report.” <https://www.epa.gov/automotive-trends/highlights-automotive-trends-report>.

⁵ https://iwk-cp.com/wp-content/uploads/2018/07/Automotive-Global-Outlook-2018-European-version_IWK_FINAL.pdf.