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Committee: Environment and Transportation
Testimony on: HB 1391 – “Clean Cars Act of 2022”
Position: Favorable with amendments
Hearing Date: March 11, 2022

The Maryland Chapter of the Sierra Club supports HB 1391 with two amendments. The bill would extend and alter the vehicle excise tax credit for the purchase of electric vehicles (EVs), place a lower maximum total purchase price on an EV that would make it be eligible for an excise tax credit, and transfer from the Strategic Energy Investment Fund (SEIF) to the Transportation Trust Fund the amount needed to offset a reduction in revenue from the vehicle excise tax credit for the purchase of EVs.

Providing an excise tax credit to encourage the purchase of an EV in our state makes sense because EVs emit no greenhouse gas or toxic pollution from their tailpipes and have much lower fuel and maintenance costs. This is important because transportation is now the largest contributor to climate-damaging greenhouse gas emissions. Vehicle tailpipes also are a major source of toxic emissions that are linked to various cancers, heart disease, asthma, emphysema, other respiratory diseases, and premature death. Vehicle tailpipe emissions also contribute to ozone, smog, and acid rain. More than 85% of Marylanders live in counties that do not meet federal clean air standards for ozone.

One amendment we propose would add a fifth requirement for a fuel cell electric vehicle (see page 2 of the bill, lines 7 to 13) to be eligible to receive an excise tax credit. The power for a fuel cell electric vehicle, hydrogen, must be produced using a zero-emission renewable energy source such as solar or wind power. Without this amendment, the hydrogen might well be produced using a fossil fuel such as natural gas, which would defeat the purpose of encouraging the purchase of EVs to avoid generating pollution.

The second amendment we propose would specify that the reimbursement of vehicle excise tax credits to the Transportation Trust Fund not be paid from the SEIF and instead be funded elsewhere in the budget. The SEIF is a critically important program in responding to the climate crisis. The state is moving away from fossil-fuel generated electricity to clean, renewable wind and solar energy. As this occurs, it is important to provide support for workers and communities affected by this transition. We strongly request the SEIF be used to fund a fossil fuel workforce and community transition account to support workers and communities facing the closure of fossil fuel power generators, and not excise tax credits to encourage the purchase of EVs.

In summary, passage of HB 1391 containing the two amendments described above would be good for public health, the environment, and workers and communities affected by the transition to renewable energy. We urge a favorable report on this bill with the amendments we propose.

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Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.