



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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HOUSE BILL 94 State Vehicle Fleet - Conversion to Zero-Emission Passenger Cars and Other Light Duty Vehicles (Fraser-Hidalgo)

STATEMENT OF INFORMATION

DATE: January 20, 2022

COMMITTEE: House Environment & Transportation

SUMMARY OF BILL: Establishes the intent of the General Assembly that 100% of the State passenger vehicles are zero-emission vehicles (ZEV) by 2031 and State light-duty vehicles by 2036. Subject to the availability of funding: (1) in FY 2023-2025, at least 25% of passenger vehicles purchased for the State vehicle fleet are ZEV; in FY 2026-2027, at least 50%; and in FY 2028, 100%; and (2) in FY 2028-2030, at least 25% of light-duty vehicles purchased are ZEV; in FY 2031-2032, at least 50%; and in FY 2033, 100%. DGS shall ensure the development of charging infrastructure to support the operation of ZEVs in the State vehicle fleet. An annual report is required of the Chief Procurement Officer on Dec 1 that details the purchases of ZEVs.

EXPLANATION: The State is integrating ZEVs into the fleet as replacements for internal combustion engine (ICE) vehicles where ZEV equivalents to ICE vehicles exist. Our approach to the inclusion of these vehicles is more robust than best practices of State Fleet Administrators throughout the country. As of this writing, we have 45 Zero-Emission vehicles in our fleet with an additional 88 on order.

The Department of Budget and Management (DBM) and Department of General Services (DGS) have worked collaboratively to develop a strategic plan to address the integration of ZEVs into the State fleet and are implementing the plan. The plan requires that charge station infrastructure may be installed at a site receiving an ZEV in advance of, or contemporaneous with, the arrival of the ZEV. Additionally, some funding for charge station infrastructure has been identified. This plan greatly increases the likelihood of a successful roll-out of ZEVs into the State's fleet. DBM has achieved purchase percentages of ZEVs of 8%, 29% and 46% over the last three fiscal years, respectively.

There are a number of factors that impede a more robust implementation of Zero-Emission vehicles:

- Availability of these vehicles is significantly ahead of the charge station infrastructure necessary to support their use. Level 2 charge station installations generally cost \$10,000-\$15,000 per station/unit;
- Limited availability of mid-size sedans, or larger, ZEVs. Currently, only foreign and luxury vehicle manufacturers offer these ZEVs. Due to their increased costs, these vehicles are

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generally not successful in the vehicle contract bid process and therefore do not appear on the statewide vehicle contract list; and,

- ZEVs have an upfront cost of ownership approximately \$5,000-\$8,000 higher than their combustion engine counterparts, thereby making it difficult for agencies to purchase in significant numbers.

While our goal is to reduce the environmental impact of the State's vehicle fleet, any requirement for full inclusion of ZEVs must also take into consideration fiscal sustainability and potential job performance disruption of State employees. For the foreseeable future, ZEVs will play an increasing role in reducing the environmental impact of our fleet as we work through the intricacies and challenges of a total fleet conversion.

Please note that the State Vehicle Administrator is currently required to submit an annual report each December 15 that details State fleet vehicle purchases by agency and fuel type.

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