

HOUSE BILL 1360

M3, R2

4lr2676

By: **Delegates Howard, Arentz, Hornberger, and Tomlinson**

Introduced and read first time: February 9, 2024

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **School Bus Transition – Propane–Powered School Buses – Grant Program,**
3 **Fund, and Purchase**

4 FOR the purpose of altering certain provisions of law relating to funding and grants for
5 transitioning to zero–emission vehicle school buses to include propane–powered
6 school buses; authorizing a county board of education, beginning in a certain fiscal
7 year, to enter into a new contract for the purchase of school buses that are propane
8 powered; and generally relating to propane–powered school buses.

9 BY repealing and reenacting, with amendments,
10 Article – Environment
11 Section 2–1501 through 2–1505 to be under the amended subtitle “Subtitle 15.
12 Zero–Emission Vehicle and Propane–Powered School Buses”
13 Annotated Code of Maryland
14 (2013 Replacement Volume and 2023 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Environment**

18 Subtitle 15. Zero–Emission Vehicle **AND PROPANE–POWERED** School Buses.
19 2–1501.

20 (a) In this subtitle the following words have the meanings indicated.

21 (b) “Fund” means the Zero–Emission Vehicle **AND PROPANE–POWERED** School
22 Bus Transition Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) "Program" means the Zero-Emission Vehicle **AND PROPANE-POWERED**
2 School Bus Transition Grant Program.

3 (d) "Zero-emission vehicle" has the meaning stated in § 23-206.4 of the
4 Transportation Article.

5 2-1502.

6 The Department and the Department of Transportation jointly shall provide
7 technical assistance to county boards of education and entities that contract with county
8 boards to provide transportation services for transitioning to the use of school buses that
9 are zero-emission vehicles **OR ARE PROPANE-POWERED** throughout the State.

10 2-1503.

11 (a) There is a Zero-Emission Vehicle **AND PROPANE-POWERED** School Bus
12 Transition Grant Program in the State.

13 (b) The purpose of the Program is to provide grants to county boards of education
14 and entities that contract with county boards to provide transportation services to:

15 (1) Purchase school buses that are [zero-emission]:

16 (I) **ZERO-EMISSION** vehicles; **OR**

17 (II) **PROPANE-POWERED**;

18 (2) Install electric vehicle infrastructure for charging school buses that are
19 zero-emission vehicles;

20 (3) Engage in planning for a transition to using school buses that are
21 zero-emission vehicles; and

22 (4) Fund pilot programs to experiment with a transition to school buses
23 that are zero-emission vehicles.

24 (c) The Department, in consultation with the State Department of Education,
25 shall implement and administer the Program.

26 (d) (1) If the Department receives any funds as a result of a legal settlement
27 that are earmarked for the purpose of transitioning to school buses that are zero-emission
28 vehicles **OR PROPANE-POWERED**, the funds shall be made available to award grants in
29 accordance with this section.

30 (2) In addition to any funding provided under paragraph (1) of this
31 subsection, funding for the Program consists of:

1 (i) Money appropriated in the State budget for the Program; and

2 (ii) Any additional money made available to the Program from any
3 private or public sources.

4 (e) The Department may adopt regulations to implement this section.
5 2–1504.

6 (a) There is a Zero–Emission Vehicle **AND PROPANE–POWERED** School Bus
7 Transition Fund.

8 (b) The purpose of the Fund is to provide funding for the Program.

9 (c) The Department, in consultation with the State Department of Education,
10 shall administer the Fund.

11 (d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
12 the State Finance and Procurement Article.

13 (2) The State Treasurer shall hold the Fund separately, and the
14 Comptroller shall account for the Fund.

15 (e) The Fund consists of:

16 (1) Money appropriated in the State budget to the Fund;

17 (2) Interest earnings of the Fund;

18 (3) Donations;

19 (4) Money derived from legal settlements earmarked for the purpose of
20 transitioning to school buses that are zero–emission vehicles **OR ARE**
21 **PROPANE–POWERED**; and

22 (5) Any other money from any other source accepted for the benefit of the
23 Fund.

24 (f) The Fund may be used only for the Program.

25 (g) (1) The State Treasurer shall invest the money of the Fund in the same
26 manner as other State money may be invested.

27 (2) Any interest earnings of the Fund shall be credited to the Fund.

1 (h) Expenditures from the Fund may be made only in accordance with the State
2 budget.

3 (i) Money expended from the Fund for the Program is supplemental to and is not
4 intended to take the place of funding that otherwise would be appropriated for the Program.

5 2–1505.

6 (a) In this section, “incremental costs” means:

7 (1) In the case of a contract for the purchase of school buses, the cost
8 difference between purchasing and operating school buses that are zero–emission vehicles
9 **OR THAT ARE PROPANE–POWERED** and school buses that are diesel–powered vehicles;
10 and

11 (2) In the case of a contract for the use of school buses, the cost difference
12 between contracting for the use of school buses that are zero–emission vehicles **OR THAT**
13 **ARE PROPANE–POWERED** and school buses that are diesel–powered vehicles.

14 (b) **(1)** Except as provided in subsection (c) of this section **AND SUBJECT TO**
15 **PARAGRAPH (2) OF THIS SUBSECTION**, beginning in fiscal year 2025, a county board of
16 education may not enter into a new contract for:

17 **[(1)] (I)** The purchase of any school bus that is not a zero–emission
18 vehicle; or

19 **[(2)] (II)** The use of any school bus that is not a zero–emission vehicle,
20 unless the school bus has an in–service date of July 1, 2024, or before.

21 **(2) BEGINNING IN FISCAL YEAR 2030, A COUNTY BOARD OF**
22 **EDUCATION MAY ENTER INTO A NEW CONTRACT FOR THE PURCHASE OF SCHOOL**
23 **BUSES THAT ARE PROPANE–POWERED.**

24 (c) The requirements of subsection (b) of this section do not apply if:

25 (1) The Department determines that no available zero–emission **OR**
26 **PROPANE–POWERED** vehicle meets the performance requirements for the county board’s
27 use; or

28 (2) The county board is unable to obtain federal, State, or private funding
29 sufficient to cover the incremental costs associated with contracting for the purchase or use
30 of school buses that are zero–emission vehicles **OR THAT ARE PROPANE–POWERED.**

31 (d) A county board may enter into an agreement with an electric company to
32 obtain monetary incentives in exchange for allowing the electric company to use the storage

1 batteries of zero-emission buses owned or operated by the county board to access the stored
2 electricity through vehicle-to-grid technology.

3 (e) The Department, in consultation with other appropriate State agencies, shall
4 work with the county boards and private school bus contractors to develop electric vehicle
5 infrastructure sufficient to support school buses that are zero-emission vehicles.

6 (f) The Department shall prioritize the use of available federal funding to carry
7 out this section.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2024.