

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 4 (Delegates Miller and M. Morgan)
 Environment and Transportation

Vehicle Laws – Historic Motor Vehicles – Minimum Age

This bill establishes that a motor vehicle must be at least 25 years old to be eligible for registration as a Class L (historic) vehicle; accordingly, it repeals the current statutory requirement that limits Class L (historic) registrations to vehicles with a model year of 1999 or earlier. The Motor Vehicle Administration (MVA) must reinstate, without any action required by the owner of a vehicle, the historic motor vehicle registration of a motor vehicle that, before July 1, 2025, was registered as a historic motor vehicle and that, on or after that date, had its historic vehicle registration *suspended or revoked* as a result of the Budget Reconciliation and Financing Act (BRFA) of 2025. The bill only applies prospectively. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Special fund revenues decrease, in total, by \$1.8 million in FY 2027 and by \$7.9 million in FY 2031, reflecting the bill’s impact on the Transportation Trust Fund (TTF), Maryland Emergency Medical System Operations Fund (MEMSOF), R Adams Cowley Shock Trauma Center, and Maryland Trauma Physician Services Fund (MTPSF). MVA can make required reprogramming changes with existing resources; TTF expenditures are likely minimally affected, as discussed but not shown below.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	(\$1.8)	(\$3.5)	(\$5.1)	(\$6.5)	(\$7.9)
Expenditure	0	0	0	0	0
Net Effect	(\$1.8)	(\$3.5)	(\$5.1)	(\$6.5)	(\$7.9)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect the local finances or operations of any individual local jurisdiction, as discussed below.

Small Business Effect: None.

Analysis

Current Law: In applying for a registration of a historic motor vehicle, the owner must certify that the vehicle for which the application is made will be maintained only for use in exhibitions, club activities, parades, tours, and occasional transportation. The vehicle may *not* be used for purposes such as general daily transportation, employment, etc.

The BRFA of 2025 limited the definition of “historic motor vehicle” to model year 1999 (or earlier) vehicles, repealing the previous requirement that a motor vehicle be at least 20 years old. Accordingly, any Class L (historic) vehicles with a model year of 2000 or later lost eligibility for registration as a historic vehicle and, instead, must register by their corresponding class and weight effective July 1, 2025. Pursuant to Section 22 of the BRFA of 2025, the revenue increases attributable to this change must remain allocated within the Maryland Department of Transportation (MDOT). Otherwise, a portion of the revenues collected from motor vehicle registrations is provided to local governments from the Gasoline and Motor Vehicle Revenue Account (GMVRA) through capital transportation grants.

Most vehicle classes may register for one or two years. Registration fees vary based on a vehicle’s characteristics (*e.g.*, class and weight, whether the vehicle is an electric drive vehicle, etc.) and the fees can be found on [MVA’s website](#). The annual registration fee for a Class L (historic) vehicle is \$55.50.

Registration fees for most vehicle classes (but not Class L) also include a yearly \$40.00 surcharge, primarily for MEMSOF (as much as \$24.50). A portion of that surcharge (\$6.50) is reserved for the MTPSF, and at least \$9.00 from each surcharge must be allocated to the R Adams Cowley Shock Trauma Center.

State Fiscal Effect: As noted above, the BRFA of 2025 limited eligibility for a Class L (historic) registration to vehicles with a model year of 1999 or earlier. The bill repeals this requirement and instead authorizes a vehicle that is at least 25 years old to register as a Class L (historic) vehicle (assuming the owner meets the other requirements for a historic registration). Therefore, under the bill, additional vehicles become eligible for a Class L (historic) registration beginning in fiscal 2027. Specifically, vehicles with a model year of 2000 and 2001 become eligible effective July 1, 2026; in subsequent years, additional model years become eligible.

As a result of this change, revenues for multiple special funds are affected. Based on data from current vehicle registrations, MVA estimates that approximately 18,000 additional

vehicles will register as a Class L (historic) registration in fiscal 2027, and by fiscal 2031, approximately 80,000 additional vehicles will register as a Class L (historic) vehicle. MVA advises that the *average* annual registration fee for Class A (passenger) and Class M (multipurpose) vehicles (for all weight classes) is \$105.83. As noted above, the annual registration fee for a Class L (historic) vehicle is \$55.50 (*i.e.*, \$50.33 *less* than the average Class A/M annual registration fee). Moreover, Class L (historic) vehicles are exempt from the Vehicle Emissions Inspection Program as well as the \$40.00 emergency medical services surcharge. **Exhibit 1** shows the effect on special fund revenues based on MVA's assumptions regarding the number of additional Class L (historic) registrations each year.

Exhibit 1
Effect on Transportation Trust Fund and Other Special Fund Revenues
Fiscal 2027-2031

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
TTF Revenues	(\$1,063,188)	(\$2,067,310)	(\$3,012,366)	(\$3,898,356)	(\$4,725,280)
<i>Registration Fees</i>	(905,940)	(1,761,550)	(2,566,830)	(3,321,780)	(4,026,400)
<i>VEIP Fees</i>	(157,248)	(305,760)	(445,536)	(576,576)	(698,880)
EMS Surcharge Distribution	(\$720,000)	(\$1,400,000)	(\$2,040,000)	(\$2,640,000)	(\$3,200,000)
<i>MEMSOF</i>	(441,000)	(857,500)	(1,249,500)	(1,617,000)	(1,960,000)
<i>Shock Trauma</i>	(162,000)	(315,000)	(459,000)	(594,000)	(720,000)
<i>MTPSF</i>	(117,000)	(227,500)	(331,500)	(429,000)	(520,000)
Total State Revenue Impact	(\$1,783,188)	(\$3,467,310)	(\$5,052,366)	(\$6,538,356)	(\$7,925,280)

EMS: Emergency Medical Services
MEMSOF: Maryland Emergency Medical System Operations Fund
MTPSF: Maryland Trauma Physician Services Fund
Shock Trauma: R Adams Cowley Shock Trauma Center
TTF: Transportation Trust Fund
VEIP: Vehicle Emissions Inspection Program

Source: Maryland Department of Transportation; Department of Legislative Services

Although the bill requires MVA to reinstate a vehicle registration that was *suspended or revoked* as a result of the BRFA of 2025, MVA advises that it did not take these actions for any vehicle registrations. Therefore, this provision has no fiscal impact.

As discussed in more detail below, the bill may result in additional revenues being provided to local governments through GMVRA. While overall TTF expenditures are likely not meaningfully affected, MDOT may be required to redirect funding from other projects in its capital program to provide the grants.

Local Fiscal Effect: Generally, a portion of the revenues from motor vehicle registration fees accrues to GMVRA and is provided to local governments through capital transportation grants. However, as noted above, the BRFA of 2025 limited eligibility for Class L (historic) vehicles to model year 1999 and earlier model years (instead of the previous requirement that a motor vehicle be at least 20 years old) and specified that the revenue *increases* attributable to that change had to remain within MDOT. Accordingly, local governments do not share in the ongoing higher revenues under current law.

The Department of Legislative Services advises that, while not clear, the bill's modification to the BRFA's eligibility provision likely also negates the BRFA's requirement that the increase in revenues attributable to that provision remain within MDOT. As a result, revenues provided to local governments through GMVRA may be minimally affected. Further, as GMVRA revenues are distributed among all local jurisdictions in the State, the bill's impact on any one individual local jurisdiction is likely negligible.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 566 (Senator Ready, *et al.*) - Judicial Proceedings.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

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caw/rld

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