

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 773 (Delegate Hornberger, *et al.*)
Environment and Transportation

Vehicle Laws - Historic Motor Vehicles and Street Rod Vehicles - Minimum Age

This bill establishes that a motor vehicle must be at least 30 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 bill also requires that a motor vehicle be at least 40 years old (rather than 25) to be eligible for registration as a Class N (street rod) vehicle. **The bill must be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any historic motor vehicle or street rod registered before the bill's July 1, 2026 effective date.**

Fiscal Summary

State Effect: Special fund revenues (including Transportation Trust Fund (TTF) revenues) annually increase from FY 2027 through 2029 and annually decrease beginning in FY 2030, as discussed below. Expenditures are not materially affected.

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 or street rod 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.

The Budget Reconciliation and Financing Act (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.

A Class N (street rod) vehicle is a vehicle that is at least 25 years old and has been substantially altered from the manufacturer’s original design.

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 the Motor Vehicle Administration’s ([MVA website](#)). The annual registration fee for a Class L (historic) vehicle is \$55.50; for a Class N (street rod) vehicle, the annual registration fee is \$55.00.

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

State Revenues: Because the 30-year period for Class L (historic) vehicles differs from the existing 1999 (or earlier) model year requirement, some vehicles initially lose eligibility for a Class L (historic) registration once the bill takes effect. Although some vehicles lose eligibility initially compared to current law, in later years, the number of eligible vehicles increases compared to current law, as the static 1999 model year requirement no longer applies. For Class N (street rod) vehicles, the number of vehicles eligible decreases compared to current law, but the overall change is minimal each year (between approximately 500 and 600 vehicles are affected each year).

As a result of these changes, on net, TTF revenues are anticipated to annually increase from fiscal 2027 through 2029 and annually decrease beginning in fiscal 2030. A preliminary analysis by MVA estimates that the bill’s changes may increase TTF revenues by approximately \$300,000 in fiscal 2027, \$170,000 in fiscal 2028, and \$29,000 in fiscal 2029 and then decrease TTF revenues by approximately \$109,000 in fiscal 2030 and \$247,000 in fiscal 2031; MVA advises that these figures are based on the historically low numbers of registered vehicles for the affected model years. TTF revenues are anticipated to continue to decrease, at an increasing rate, in future fiscal years as well.

As noted above, these vehicles are exempt from the \$40.00 emergency medical services surcharge. Therefore, as the population of vehicles eligible for Class L (historic) or Class N (street rod) registrations changes, surcharge revenues are also affected in the same manner as TTF revenues. Based on MVA's preliminary analysis, emergency medical services surcharge revenues may increase by approximately \$242,000 in fiscal 2027 but decrease by approximately \$196,000 by fiscal 2031.

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 attributable to the change 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 of this change, and because the registration fee for a Class N (street rod) vehicle accrues to GMVRA under current law and the bill, revenues provided to local governments through GMVRA may be minimally affected. However, 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: None.

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

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