

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 789

(Senator Jennings)

Judicial Proceedings

**Vehicle Laws - Automotive Repair Facilities - Advanced Driver Assistance
Systems**

This bill establishes a licensing requirement for automotive repair facilities that engage in the recalibration of advanced driver assistance systems (ADAS). Beginning November 1, 2027, a person performing a recalibration of an ADAS without a license issued by the Motor Vehicle Administration (MVA) is subject to a civil penalty of up to \$5,000 as well as injunctive relief. The bill also establishes: (1) disclosure requirements for automotive repair facilities performing ADAS recalibrations; (2) requirements for automobile insurance companies related to ADAS recalibrations; and (3) specified enforcement and penalty provisions. MVA must, in consultation with the Maryland Insurance Administration (MIA), adopt regulations to implement the bill. Violation of the bill (after November 1, 2027), is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions, except for provisions that allow a private right of action.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues and expenditures increase significantly beginning in FY 2027, as discussed below. Minimal increase in special fund revenues for MIA in FY 2027 only from rate and form filing fees. General fund revenues from the premium tax may increase, as discussed below. The bill's penalty provisions likely do not have a material impact on State revenues.

Local Effect: The bill's imposition of existing penalty provisions does not have a material impact on local government finances or operations.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Definitions

The bill defines several terms within a new subtitle, including the following:

- “ADAS” means an electronic safety system that aids in the driving process through automated technology (*e.g.*, forward collision warning, automatic emergency braking, lane departure warning, etc.).
- “Automotive repair facility” means a facility where, for compensation, a malfunction of a motor vehicle is diagnosed or corrected. It includes a body shop but excludes a motor vehicle safety glass facility that is regulated under separate provisions of the Commercial Law Article.
- “Original equipment manufacturer” (OEM) means the original producer of a motor vehicle or motor vehicle component.
- “Position statement” means a documented policy or recommendation regarding the repair, maintenance, or replacement of motor vehicle components, issued by an OEM.
- “Recalibration” means the process of testing, measuring, and adjusting ADAS components to ensure the components function according to OEM specifications.

Provisions Applicable to Motor Vehicle Safety Glass Facilities

The bill alters provisions under current law that apply to motor vehicle safety glass facilities (*i.e.*, a person that repairs or replaces motor vehicle safety glass and provides related recalibration of an ADAS). The bill (1) specifies that “motor vehicle safety glass facility” means a person that *only* repairs or replaces motor vehicle safety glass and provides related ADAS recalibration and (2) expressly prohibits a motor vehicle safety glass facility from performing a recalibration of an ADAS unless the facility is licensed according to the requirements established by the bill.

The bill also establishes additional penalties for a motor vehicle safety glass facility that violates certain requirements and prohibitions, including the new prohibition established by the bill related to ADAS recalibration. Specifically, in addition to penalties under MCPA that already apply to violations, a motor vehicle safety glass facility that commits three violations within a three-year period is subject to suspension or revocation of the facility’s license issued under the bill’s licensing provisions.

Requirements and Prohibitions

An automotive repair facility that performs ADAS recalibration must:

- maintain a controlled environment that meets or exceeds OEM specifications for performing recalibrations;
- possess and maintain tools and equipment needed for recalibration that meet or exceed OEM specifications;
- have access to OEM repair procedures and position statements; and
- hold and operate in accordance with a license issued under the bill.

An automotive repair facility may not:

- when a recalibration is required, return a motor vehicle to a customer without having calibrated the ADAS in accordance with the repair procedure or position statement;
- if recalibration was not performed according to the repair procedure or position statement, represent to a customer that the automotive repair facility performed a recalibration; or
- use methods, tools, or equipment for recalibration that do not meet or exceed the OEM specifications.

An automotive repair facility must (1) perform all recalibrations in accordance with the repair procedure or position statement; (2) conduct a postrepair scan to verify that all systems are functioning properly; and (3) keep a record of all scans and recalibrations performed.

Disclosures

Before beginning any repair work on a motor vehicle equipped with an ADAS that requires recalibration, an automotive repair facility must provide the customer with a written statement containing specified information (*e.g.*, an explanation of each ADAS in the vehicle, an explanation of the required recalibration, the estimated price, etc.).

Similarly, on completion of repair work on a motor vehicle equipped with an ADAS, an automotive repair facility must give the customer a written statement with certain information (*e.g.*, documentation of all diagnostic scans, documentation of any recalibration performed and methods used, etc.).

Insurance Provisions

An insurance company may not:

- deny coverage for any repair or recalibration that is recommended by the repair procedure or position statement;
- require repairs that conflict with the repair procedure or position statement; or
- consider a repair to a motor vehicle complete until an automotive repair facility performs all necessary recalibrations in accordance with the repair procedure or position statement.

An insurance estimate for motor vehicle collision repairs must include:

- a line item for necessary preresearch and postrepair diagnostic scanning and all necessary recalibrations; and
- the cost of all tools, equipment, and facility requirements required to perform proper recalibration.

An insurance company that violates the above requirements is subject to discipline by MIA.

Additional Penalties

In addition to penalties under MCPA, an automotive repair facility that violates the requirements and prohibitions noted above or the bill's disclosure requirements on or after November 1, 2027, is subject to (1) for a first violation, a civil penalty of up to \$1,000; (2) for a second violation within three years after a first violation, a civil penalty of up to \$2,500; and (3) for a third violation within three years after a first violation, a civil penalty of up to \$5,000 and/or suspension or revocation of the automotive repair facility's license by MVA.

Required Regulations

MVA, in consultation with MIA, must adopt regulations to implement the bill, including (1) standards for ADAS recalibration training programs; (2) automotive repair facility inspection standards; and (3) technical standards for recalibration equipment. MVA must also consult with MIA to adopt regulations on licensing procedures and requirements.

Current Law: Title 14, Subtitle 10 of the Commercial Law Article sets forth miscellaneous consumer protection provisions relating to automotive repair facilities. An "automotive repair facility" is defined as any person who diagnoses or corrects malfunctions of a motor vehicle for financial profit.

Repair/Replacement of Motor Vehicle Glass on Motor Vehicles Equipped with Advanced Driver Assistance Systems

An ADAS is an electronic system that uses automated technology (including cameras and sensors) to detect nearby obstacles and driver errors to assist a driver in the safe operation of a motor vehicle. A “motor vehicle safety glass facility” means a person that (1) repairs or replaces motor vehicle safety glass and (2) provides related recalibration of an ADAS.

Before repairing (or replacing) motor vehicle glass, if a motor vehicle is equipped with an ADAS, a motor vehicle safety glass facility must:

- inform the customer if the recalibration of an ADAS is required; and
- provide the customer with a written statement that the work to be performed on the motor vehicle will meet or exceed OEM specifications.

A motor vehicle safety glass facility is not limited to motor vehicle glass, tooling, equipment, or repair procedures provided by the vehicle manufacturer. However, recalibration of an ADAS performed by a motor vehicle safety glass facility must meet or exceed the manufacturer’s specifications.

A motor vehicle safety glass facility is prohibited from charging for services that are not performed or successfully completed.

If recalibration of an ADAS is required and is not performed (or successfully completed), the repair facility must inform the customer.

Maryland Consumer Protection Act

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA

is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

State Fiscal Effect:

Licensing Provisions

MVA advises that it intends to implement the new licensing requirement under the bill in a manner that is similar to the licensing system it has in place for automobile dealers and salespersons. Accordingly, under the bill, any automotive repair facility conducting ADAS repairs must apply for a license and meet other requirements, such as obtaining a criminal background check, surety bond, and paying a license fee for the business.

MVA does not have a reliable way to determine the number of facilities or employees that require licensure under the bill; however, *for illustrative purposes only*, if 4,500 businesses require licensure and a fee for a three-year license for a new business is \$900 every three years, TTF licensing fee revenues increase by \$4.1 million in fiscal 2027, with a similar amount of renewal revenues three years later in fiscal 2030. Taking into account additional fee revenues for employees (a \$225 fee for each licensed technician), and assuming an average of five employees at each facility, TTF revenues further increase by an additional \$5.1 million in fiscal 2027 and at renewal in fiscal 2030. Thus, in total *under this illustrative example*, TTF revenues could increase by over \$9.0 million in fiscal 2027 (and by a similar amount three years later, in fiscal 2030).

MVA also advises that additional staff are needed to oversee the new regulatory system. In total, MVA anticipates that as many as 36 new positions may be necessary (13 compliance inspectors and 23 application processors), with average annual expenditures of approximately \$2.9 million. However, the total number of staff that may be needed depends on the number of businesses ultimately licensed which, as noted above, cannot be reliably estimated without actual experience under the bill. Nevertheless based on the licensing framework and corresponding fee revenues MVA plans to establish to implement the bill, the overall additional personnel costs are anticipated to be fully covered by the overall fee revenues over a five-year period. As noted above, however, MVA plans to implement a triennial licensing system; thus, revenues are received in an uneven manner and may not be sufficient to directly cover the new personnel costs in certain fiscal years.

Although the bill does not explicitly authorize MVA to charge a license fee, for purposes of this analysis it is assumed that it does so under the broad requirement that MVA “adopt regulations on licensing procedures and requirements.” To the extent that MVA is not authorized to charge a license fee, TTF revenues are unaffected by the bill.

Insurance Provisions

Title 6 of the Insurance Article imposes a premium tax (generally 2%) on each authorized insurance company, surplus lines broker, or unauthorized insurance company that sells, or an individual who independently procures, any type of insurance coverage upon a risk that is located in the State. Revenues accrue to the general fund.

Currently available information does not indicate what effect the bill may have on premiums for automobile insurance policies; insurers may choose to increase their premiums to account for the provisions of the bill that impact repair claims. Thus, the extent of any such impact on general fund revenues from the premium tax cannot be reliably estimated at this time.

Small Business Effect: Automotive repair facilities that perform ADAS calibration services in the State are meaningfully affected under the bill, as they must obtain a license from MVA and comply with any new regulatory requirements.

Additional Information

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

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Maryland Department of Transportation; Maryland Insurance Administration; Department of Legislative Services

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