
February 29, 2024

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Information – Senate Bill 1065 – Motor Vehicles – Registration – Annual Surcharge

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following information for the Committee’s consideration on Senate Bill 1065.

The Commission on Transportation Revenue and Infrastructure Needs (TRAIN Commission) was established by Chapter 455, Acts of 2023, to review, evaluate, and make recommendations on the prioritization and funding of transportation projects. The TRAIN Commission’s Interim Report included a recommendation specifically about the creation of a registration fee for electric and/or plug-in hybrid vehicles. The MDOT agrees with the TRAIN Commission’s recommendation and looks forward to further discussions on this issue as the need to account for the loss of revenue to the Transportation Trust Fund is at a critical juncture.

Senate Bill 1065 would add an annual surcharge to vehicle registrations in Maryland in the form of \$100 for plug-in electric drive (EV)/fuel cell electric (FCEV) vehicles subject to a registration fee. The fee would also be adjusted annually based on the inflation rate. This annual surcharge amount would be collected by the MDOT Motor Vehicle Administration (MVA), and the MVA would be required to provide the option of either a one-time payment or installments throughout the registration period. The funds collected are to be deposited into the TTF and the monies from EV/FCEV surcharges specifically are to be dedicated for the purchase of zero-emission buses and electric/hybrid vehicles for the State vehicle fleet.

Currently, Maryland vehicle owners must renew their registration on a biennial cycle with fees collected in a single payment. Senate Bill 1065 permits the MVA to continue single payment collection or offer customers an option for installment payments. In order to offer installations, the MVA would have to implement some programming changes to create an accounts receivable operating system. Finally, the requirement that the proceeds from the surcharge be used for the purchase of zero-emission and electric/hybrid vehicles may be problematic if it is directing TTF funds for purchase of vehicles for agencies other than MDOT.

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The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 1065.

Respectfully submitted,

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