

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

House Bill 1290 (Delegate McMillan)  
Environmental Matters

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Vehicle Laws - Registration - Historic Motor Vehicles

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This bill alters the definition of an “historic motor vehicle” by increasing, from 20 years to 25 years, the minimum age of a vehicle that may be defined as an historic motor vehicle. The bill also requires an applicant for an historic motor vehicle registration to provide the Motor Vehicle Administration (MVA) with certification that the vehicle is insured by an historic vehicle, show vehicle, or antique vehicle insurance policy. Finally the bill prohibits an individual from registering an historic motor vehicle unless the individual owns another vehicle registered in Maryland that is not an historic motor vehicle and that is used as the individual’s primary method of transportation.

The requirement that a vehicle be at least 25 years old to be registered as an historic motor vehicle applies prospectively and may not be interpreted to have any effect on or application to a vehicle registered as historic before the bill’s October 1, 2014 effective date.

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Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) and special fund revenues increase, likely by several million dollars annually by FY 2019, as vehicle owners excluded from registering their vehicles as historic pay higher registration fees and surcharges for their vehicles. TTF expenditures increase, likely by more than \$100,000, between FY 2015 and 2017 for MVA to procure additional registration plates.

**Local Effect:** Local revenues increase for jurisdictions statewide due to the increase in Gasoline and Motor Vehicle Revenue Account funds distributed as highway user revenues.

**Small Business Effect:** Minimal.

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## Analysis

**Current Law:** An historic motor vehicle is currently defined as a motor vehicle, including a passenger vehicle, motorcycle, or truck, that is at least 20 years old; has not been substantially altered from the manufacturer's original design; and meets criteria contained in MVA regulations.

The owner of an historic motor vehicle must certify that the vehicle will be maintained for use in exhibitions, club activities, parades, tours, occasional transportation, and similar uses, and not for general daily transportation or primarily for the transportation of passengers or property on highways. Despite the certification as to how the historic vehicle is to be used, statute does not specifically prohibit historic vehicles from being used in other manners. However, MVA is authorized by regulation to suspend the registration of an historic vehicle for use that is inconsistent with the registration requirements.

Historic vehicles are exempt from the requirement to contain certain equipment unless the presence of the equipment was specifically required by another State law as a condition of sale when the vehicle was manufactured. Historic vehicles are also exempt from any periodic vehicle inspections required by statute, including vehicle emissions inspections. Historic vehicles registered in Maryland, or in another state when used in Maryland, may display vintage registration plates as an indication of the historic or antique nature of the vehicle.

An historic vehicle is generally subject to a \$25.50 annual registration fee, paid biennially, except that a motor vehicle manufactured at least 60 years prior to the current model year is only subject to a one-time registration fee of \$50.00. Historic vehicles also are not subject to the vehicle registration surcharge of \$17.00 per year distributed to the Maryland Emergency Medical System Operations Fund. By contrast, the annualized registration fees, exclusive of the \$17.00 surcharge, for several common classes of vehicles are as follows:

- Class A passenger vehicle of up to 3,700 pounds – \$50.50;
- Class A passenger vehicle of more than 3,700 pounds – \$76.50;
- Class D motorcycle – \$35;
- Class E truck of three-quarter tons rated capacity or up to 7,000 pounds – \$63.25;
- Class M multipurpose vehicle of up to 3,700 pounds – \$50.50; and
- Class M multipurpose vehicle of more than 3,700 pounds – \$76.50.

Chapter 389 of 2012 established separate historic vehicle registration requirements that apply to trucks (Class E) with a gross vehicle weight of more than 10,000 pounds,

tractors (Class F), or multipurpose (Class M) motor homes. To be registered as an historic vehicle, one of these vehicles must be at least 25 years old. These vehicles may not be used for general daily transportation or any commercial transportation of passengers or property on highways, but they must be insured by an historic vehicle, a show vehicle, or an antique vehicle insurance policy.

**State Revenues:** The Department of Legislative Services advises that a reliable fiscal estimate cannot be made at this time due to limited data and numerous uncertainties, including the number of historic motor vehicles registered each year (the most recent data available is from fiscal 2011); the annual growth rate in historic vehicle registrations; the annual attrition rate of historic vehicles falling into disuse; the percentage of vehicles that register in each vehicle class, which carry different registration fees; and the percentage of vehicles that are, or will be, insured by an historic vehicle, show vehicle, or antique vehicle insurance policy. However, TTF and other special fund revenues may increase significantly as many drivers that are excluded from registering their vehicle as historic instead pay generally higher fees to register under a different vehicle classification. Given the potential scope of vehicles involved and the significant difference in fees paid between historic vehicles and other vehicle classes, it is likely that TTF revenues increase by several million dollars annually by fiscal 2019.

Any estimated increase in TTF revenues also results in distributions to several special funds from the payment of additional registration surcharges, as well as to local governments statewide as highway user revenues.

**State Expenditures:** TTF expenditures also increase, but to a much lesser extent, in fiscal 2015 through 2017 only for the one-time issuance by MVA of replacement registration plates for individuals that are required to re-register their vehicles. MVA advises that the current cost to procure a set of registration plates is \$4.47. As noted above, considerable uncertainties exist that prevent a reliable estimate of any increase in TTF expenditures; however, the increase in TTF expenditures may exceed \$100,000 between fiscal 2015 and 2017.

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### **Additional Information**

**Prior Introductions:** A bill with similar provisions, HB 550 of 2012, received an unfavorable report from the House Environmental Matters Committee. Its cross file, SB 846, received an unfavorable report from the Senate Judicial Proceedings Committee.

**Cross File:** None.

**Information Source(s):** Maryland Insurance Administration, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2014  
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