

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 1371

(Delegate Terrasa)

Environment and Transportation

Judicial Proceedings

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**Vehicle Laws - Driver's Licenses - Electronic Credentials (Maryland Mobile ID Enhancement Act)**

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This bill authorizes the Motor Vehicle Administration (MVA) to enter into an agreement to facilitate the issuance, use, and verification of electronic credentials through a national association of motor vehicle agencies. The bill also authorizes an individual who will operate a rented vehicle to use an electronic credential showing a representation of a valid driver's license (instead of a physical driver's license) to rent the vehicle.

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**Fiscal Summary**

**State Effect:** No material impact on Transportation Trust Fund revenues or expenditures. To the extent MVA chooses to enter into the authorized agreements, it can likely do so with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Chapter 142 of 2019 authorizes MVA to issue an “electronic credential” (*i.e.*, an electronic representation of a license, an identification card, or a data field) to an individual in addition to (and not instead of) a license or an identification card if MVA has already issued either physical credential to the individual. MVA may enter into agreements with a Maryland State agency, another state agency, or the United States to facilitate the issuance, use, and verification of electronic credentials issued by MVA (or another state).

MVA may create an electronic credential that (1) is capable of producing both a full profile and a limited profile and (2) satisfies the purpose for which the profile is being presented. MVA must design the electronic credential in a manner that allows the credential holder to maintain physical possession of the device on which the credential is accessed during verification.

### *Renting Vehicles (in General)*

A person may not rent a motor vehicle, trailer, or semitrailer to any other person unless the individual who will operate the rented vehicle:

- holds a driver's license issued under Title 16 of the Transportation Article authorizing the individual to drive or tow vehicles of the class rented;
- is a nonresident who (1) has a license to drive issued by the state or country of the person's residence authorizing the person to drive or tow vehicles of the class rented and (2) is at least the same age as that required of a resident to drive or tow the rented vehicle; or
- otherwise is specifically authorized to drive or tow vehicles of the class rented.

In addition, a person may not rent a motor vehicle, trailer, or semitrailer to any other person unless the lessor or the lessor's agent:

- has inspected the license of the individual who will operate the rented vehicle;
- has compared and verified (1) the signature on the license with the signature of the individual, as written in the presence of the lessor or agent and (2) the physical description on the license with the physical appearance of the individual; and
- has verified that the license is not expired.

An inspection of a license may be through electronic or digital means.

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## **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

**Fiscal Note History:** First Reader - February 27, 2025  
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Analysis by: Eric F. Pierce

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510