

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1216 (Delegate Acevero, *et al.*)
 Environment and Transportation

Vehicle Registration - Fee Exemptions - Military Honorees

This bill exempts recipients of the Purple Heart, the Medal of Honor, the Silver Star, or the Bronze Star as well as members of Gold Star families from the requirement to pay vehicle registration fees.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by approximately \$114,700 in FY 2026 and \$166,000 annually beginning in FY 2027. Other special fund revenues (for the Maryland Emergency Medical System Operations Fund (MEMSOF), R Adams Cowley Shock Trauma Center, and the Maryland Trauma Physician Services Fund (MTPSF)) decrease by a combined \$47,100 in FY 2026 and \$62,800 annually beginning in FY 2027, as discussed below. The Motor Vehicle Administration (MVA) can make required reprogramming changes with existing resources.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	(\$161,800)	(\$228,800)	(\$228,800)	(\$228,800)	(\$228,800)
Expenditure	0	0	0	0	0
Net Effect	(\$161,800)	(\$228,800)	(\$228,800)	(\$228,800)	(\$228,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local finances or operations.

Small Business Effect: None.

Analysis

Current Law: The contribution of the U.S. Armed Forces is recognized through several provisions within the Maryland Vehicle Law. Specifically, Maryland has exemptions from registration fees for veterans with certain disabilities and vehicles owned by national

veterans’ organizations as well as special registration plates for honorably discharged veterans; recipients of individually earned, combat-related U.S. Armed Forces medals; and recipients of a U.S. Department of Defense Gold Star indicating status as a surviving spouse, parent, or next of kin of a member of the U.S. Armed Forces who lost his or her life in combat.

Most classes of vehicle 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.). Registration fees also include a yearly \$40.00 surcharge, primarily for MEMSOF (as much as \$24.50). A portion of that surcharge (\$6.50) is reserved for the MTPSF, and at least \$9.00 from each surcharge must be allocated to the R Adams Cowley Shock Trauma Center.

State Revenues: MVA advises that, as of February 2025, approximately 1,569 vehicles are likely to be exempt from registration fees under the bill. MVA further advises that the average annual registration fee for Class A (passenger) and M (multipurpose) vehicles is expected to total \$137.50 in fiscal 2026 (including the \$40.00 surcharge noted above). Beginning in fiscal 2027, the average fee increases to \$145.83. **Exhibit 1** shows the estimated impact on TTF and other special fund revenues under the bill.

Exhibit 1
Effect on Transportation Trust Fund and Other Special Fund Revenues
Fiscal 2026-2030

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Transportation Trust Fund (Registration Fee Revenues)	(\$114,733)	(\$166,047)	(\$166,047)	(\$166,047)	(\$166,047)
EMS Surcharge	(47,070)	(62,760)	(62,760)	(62,760)	(62,760)
<i>MEMSOF</i>	(28,830)	(38,441)	(38,441)	(38,441)	(38,441)
<i>Shock Trauma</i>	(10,591)	(14,121)	(14,121)	(14,121)	(14,121)
<i>MTPSF</i>	(7,649)	(10,199)	(10,199)	(10,199)	(10,199)
Total State Revenue Impact	(\$161,803)	(\$228,807)	(\$228,807)	(\$228,807)	(\$228,807)

EMS: Emergency Medical Services
MEMSOF: Maryland Emergency Medical System Operations Fund
MTPSF: Maryland Trauma Physician Services Fund
Shock Trauma: R Adams Cowley Shock Trauma Center

Source: Maryland Department of Transportation; Department of Legislative Services

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1459 of 2024.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Veterans and Military Families; Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2025
km/ljm

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