

HOUSE BILL 1374

R4

6lr2112

By: **Delegate Solomon**

Introduced and read first time: February 13, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Alternative Fuel, Fuel-Efficient, and Electric Vehicles – Highway Use Fees**

3 FOR the purpose of repealing the annual surcharge required to register a zero-emission
4 vehicle or plug-in electric drive vehicle in the State; requiring the owners of certain
5 alternative fuel vehicles, fuel-efficient vehicles, and plug-in electric drive vehicles
6 to pay an annual highway use fee for each vehicle registered in the State;
7 establishing a voluntary annual Mileage-Based User Fee Program within the
8 Department of Transportation; allowing the owners of certain vehicles to participate
9 in the Program in lieu of paying the annual highway use fee; requiring the
10 Department, on or before a certain date, to establish a fully operational Program;
11 establishing a Highway Use Fee Account within the Transportation Trust Fund; and
12 generally relating to fees paid by the owners of alternative fuel vehicles,
13 fuel-efficient vehicles, and plug-in electric drive vehicles.

14 BY renumbering

15 Article – Transportation
16 Section 11-103.4 and 11-103.5
17 to be Section 11-103.5 and 11-103.6, respectively
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2025 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – Transportation
22 Section 3-216(a)
23 Annotated Code of Maryland
24 (2020 Replacement Volume and 2025 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Transportation
27 Section 3-216(c)(2)(i)
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2020 Replacement Volume and 2025 Supplement)

2 BY adding to

3 Article – Transportation

4 Section 3–216(d)(6)

5 Annotated Code of Maryland

6 (2020 Replacement Volume and 2025 Supplement)

7 BY adding to

8 Article – Transportation

9 Section 11–103.4, 11–125.2, 13–956, and 13–957

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2025 Supplement)

12 BY repealing

13 Article – Transportation

14 Section 13–956

15 Annotated Code of Maryland

16 (2020 Replacement Volume and 2025 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That Section(s) 11–103.4 and 11–103.5 of Article – Transportation of the Annotated Code
19 of Maryland be renumbered to be Section(s) 11–103.5 and 11–103.6, respectively.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
21 as follows:

22 **Article – Transportation**

23 3–216.

24 (a) There is a Transportation Trust Fund for the Department.

25 (c) (2) (i) The Gasoline and Motor Vehicle Revenue Account, the Driver
26 Education Account, the Motorcycle Safety Program Account, [and] the Transportation
27 Network Company Impact Fee Account, **AND THE HIGHWAY USE FEE ACCOUNT** shall
28 be maintained in the Transportation Trust Fund.

29 (d) **(6) (I) THE DEPARTMENT SHALL ALLOCATE THE FUNDS IN THE**
30 **HIGHWAY USE FEE ACCOUNT SOLELY FOR THE NEEDS OF THE MARYLAND AREA**
31 **REGIONAL COMMUTER RAIL SERVICE.**

32 **(II) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE**
33 **FUNDS IN THE HIGHWAY USE FEE ACCOUNT MAY NOT BE TRANSFERRED OR**
34 **DIVERTED TO THE GENERAL FUND OF THE STATE OR USED FOR ANY OTHER**
35 **PURPOSE WITHIN THE DEPARTMENT.**

1 (III) MONEY EXPENDED FROM THE HIGHWAY USE FEE
2 ACCOUNT IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF
3 FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE MARYLAND AREA
4 REGIONAL COMMUTER RAIL SERVICE.

5 11-103.4.

6 “ALTERNATIVE FUEL VEHICLE” MEANS A MOTOR VEHICLE THAT:

7 (1) IS MANUFACTURED OR MODIFIED TO USE AN ALTERNATIVE FUEL,
8 INCLUDING ELECTRICITY, ETHANOL, METHANOL, GASOHOL, AND PROPANE OR
9 NATURAL GAS, REGARDLESS OF ENERGY CONSUMPTION; AND

10 (2) IS NOT A MOTOR FUEL VEHICLE, PLUG-IN ELECTRIC DRIVE
11 VEHICLE, OR PLUG-IN HYBRID VEHICLE.

12 11-125.2.

13 “FUEL-EFFICIENT VEHICLE” MEANS A MOTOR VEHICLE THAT HAS A
14 COMBINED FUEL ECONOMY RATING OF AT LEAST 25 MILES PER GALLON.

15 [13-956.

16 (a) In addition to the registration fee otherwise required by this title, the owner
17 of a motor vehicle shall pay an annual surcharge:

18 (1) On or before July 1, 2025, of:

19 (i) \$125.00 for each zero-emission vehicle, as defined in § 23-206.4
20 of this article; and

21 (ii) \$100.00 for each plug-in electric drive vehicle that is not a
22 zero-emission vehicle; and

23 (2) After June 30, 2025, at a rate based on the amounts established under
24 item (1) of this subsection adjusted for inflation as determined annually by the
25 Administration.

26 (b) The Administration shall allow for payment of a surcharge assessed under
27 this section:

28 (1) At the time the annual registration fee is paid; or

1 (2) In installments throughout the registration period, as determined by
2 the Administration.

3 (c) The proceeds collected from the surcharge assessed under subsection (a)(1) of
4 this section shall be deposited into the Transportation Trust Fund.

5 (d) If a person that owns a motor vehicle that is assessed the surcharge fails to
6 pay the surcharge or installments, the Administration shall refuse to register or renew or
7 transfer the registration of the motor vehicle.]

8 **13-956.**

9 (A) **THIS SECTION DOES NOT APPLY TO:**

10 (1) **AN AUTOCYCLE, MOPED, OR MOTORCYCLE;**

11 (2) **A VEHICLE WITH A GROSS WEIGHT OVER 26,000 POUNDS;**

12 (3) **A VEHICLE THAT IS OWNED BY A GOVERNMENTAL ENTITY;**

13 (4) **A VEHICLE THAT IS REGISTERED UNDER THE INTERNATIONAL**
14 **REGISTRATION PLAN; OR**

15 (5) **A VEHICLE THAT PARTICIPATES IN THE MILEAGE-BASED USER**
16 **FEE PROGRAM ESTABLISHED UNDER § 13-957 OF THIS SUBTITLE.**

17 (B) **IN ADDITION TO THE REGISTRATION FEE OTHERWISE REQUIRED BY**
18 **THIS TITLE, THE OWNER OF AN ALTERNATIVE FUEL VEHICLE, A FUEL-EFFICIENT**
19 **VEHICLE, OR A PLUG-IN ELECTRIC DRIVE VEHICLE SHALL PAY AN ANNUAL HIGHWAY**
20 **USE FEE FOR EACH MOTOR VEHICLE REGISTERED.**

21 (C) **THE HIGHWAY USE FEE SHALL BE:**

22 (1) **CALCULATED IN ACCORDANCE WITH SUBSECTION (D) OF THIS**
23 **SECTION;**

24 (2) **COLLECTED BY THE DEPARTMENT AT THE TIME OF VEHICLE**
25 **REGISTRATION; AND**

26 (3) **DEPOSITED IN THE HIGHWAY USE FEE ACCOUNT IN THE**
27 **TRANSPORTATION TRUST FUND.**

28 (D) (1) (I) **THE SECRETARY SHALL CALCULATE THE HIGHWAY USE FEE**
29 **IN ACCORDANCE WITH THIS SUBSECTION.**

1 **(II) FOR PURPOSES OF ESTIMATING THE AMOUNT OF MOTOR**
2 **FUEL TAXES PAID EACH YEAR TO OPERATE A FUEL-EFFICIENT VEHICLE UNDER THIS**
3 **SUBSECTION, THE SECRETARY SHALL:**

4 **1. ESTIMATE THE AVERAGE NUMBER OF MILES A CLASS**
5 **A VEHICLE TRAVELS IN THE STATE EACH YEAR;**

6 **2. CALCULATE THE NUMBER OF GALLONS OF FUEL A**
7 **FUEL-EFFICIENT VEHICLE USES TO TRAVEL THE ESTIMATED NUMBER OF MILES**
8 **UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND**

9 **3. APPLY THE MOTOR FUEL TAX RATE ESTABLISHED**
10 **UNDER § 9-305(A)(2) OF THE TAX – GENERAL ARTICLE AS INCREASED BY THE**
11 **COMPTROLLER UNDER §§ 9-305(B) AND 9-306 OF THE TAX – GENERAL ARTICLE.**

12 **(2) FOR A PLUG-IN ELECTRIC DRIVE VEHICLE, THE ANNUAL**
13 **HIGHWAY USE FEE IS EQUAL TO 85% OF THE ESTIMATED AMOUNT OF MOTOR FUEL**
14 **TAXES PAID EACH YEAR TO OPERATE A FUEL-EFFICIENT VEHICLE IN THE STATE.**

15 **(3) (I) FOR AN ALTERNATIVE FUEL VEHICLE OR A**
16 **FUEL-EFFICIENT VEHICLE, THE ANNUAL HIGHWAY USE FEE IS EQUAL TO 85% OF**
17 **THE DIFFERENCE BETWEEN:**

18 **1. THE ESTIMATED AMOUNT OF MOTOR FUEL TAXES**
19 **PAID EACH YEAR TO OPERATE A FUEL-EFFICIENT VEHICLE IN THE STATE; AND**

20 **2. THE ESTIMATED AMOUNT OF MOTOR FUEL TAXES**
21 **PAID EACH YEAR TO OPERATE THE VEHICLE BEING REGISTERED IN THE STATE.**

22 **(II) 1. FOR THE PURPOSES OF ESTIMATING THE AMOUNT OF**
23 **MOTOR FUEL TAXES PAID TO OPERATE EACH VEHICLE BEING REGISTERED UNDER**
24 **SUBPARAGRAPH (I)2 OF THIS PARAGRAPH, THE SECRETARY SHALL USE THE**
25 **COMBINED FUEL ECONOMY RATING FOR THE MOTOR VEHICLE AS DETERMINED BY**
26 **THE MANUFACTURER OF THE VEHICLE.**

27 **2. IF THE SECRETARY IS UNABLE TO DETERMINE THE**
28 **MANUFACTURER'S FUEL ECONOMY FOR THE VEHICLE, THE SECRETARY SHALL USE**
29 **THE FINAL ESTIMATE OF AVERAGE FUEL ECONOMY AS DETERMINED BY THE U.S.**
30 **ENVIRONMENTAL PROTECTION AGENCY, OF:**

31 **A. ALL CARS MANUFACTURED DURING THE SAME**
32 **MODEL YEAR AS THE VEHICLE;**

1 **B. IF THE VEHICLE HAS A GROSS WEIGHT OF AT LEAST**
2 **6,000 POUNDS BUT LESS THAN 26,000 POUNDS, ALL TRUCKS MANUFACTURED**
3 **DURING THE SAME MODEL YEAR; OR**

4 **C. IF DATA IS NOT AVAILABLE FOR THE MODEL YEAR OF**
5 **THE VEHICLE BEING REGISTERED, AVAILABLE DATA FOR THE MOST RECENT MODEL**
6 **YEAR CLOSEST TO THE MODEL YEAR OF THE VEHICLE BEING REGISTERED.**

7 **(E) ON OR BEFORE JULY 1, 2026, AND EACH JULY 1 THEREAFTER, THE**
8 **SECRETARY SHALL UPDATE THE HIGHWAY USE FEE CALCULATED UNDER THIS**
9 **SECTION.**

10 **(F) IF THE VEHICLE IS REGISTERED FOR A PERIOD OTHER THAN 1 YEAR,**
11 **THE HIGHWAY USE FEE SHALL BE MULTIPLIED BY THE NUMBER OF YEARS OR**
12 **FRACTION OF YEARS THAT THE VEHICLE WILL BE REGISTERED.**

13 **(G) IF A PERSON THAT OWNS A MOTOR VEHICLE SUBJECT TO THE HIGHWAY**
14 **USE FEE FAILS TO PAY THE FEE, THE ADMINISTRATION SHALL REFUSE TO REGISTER**
15 **OR RENEW OR TRANSFER THE REGISTRATION OF THE MOTOR VEHICLE.**

16 **13-957.**

17 **(A) (1) THERE IS A VOLUNTARY MILEAGE-BASED USER FEE PROGRAM**
18 **IN THE DEPARTMENT.**

19 **(2) THE PURPOSE OF THE MILEAGE-BASED USER FEE PROGRAM IS**
20 **TO ALLOW THE OWNER OF A VEHICLE SUBJECT TO THE HIGHWAY USE FEE**
21 **ESTABLISHED UNDER § 13-956 OF THIS SUBTITLE TO PAY A MILEAGE-BASED USER**
22 **FEE IN LIEU OF THE HIGHWAY USE FEE.**

23 **(B) (1) THE DEPARTMENT SHALL ESTABLISH PROCEDURES FOR THE**
24 **COLLECTION OF THE MILEAGE-BASED USER FEE ON AN ANNUAL BASIS.**

25 **(2) FROM THE AMOUNT OF THE MILEAGE-BASED USER FEE**
26 **COLLECTED EACH YEAR, THE DEPARTMENT SHALL RETAIN AN AMOUNT NECESSARY**
27 **TO ADMINISTER THE PROGRAM AND DEPOSIT THE REMAINDER IN THE HIGHWAY**
28 **USE FEE ACCOUNT OF THE TRANSPORTATION TRUST FUND.**

29 **(C) (1) ON OR BEFORE JULY 1 OF THE YEAR FOLLOWING THE YEAR THE**
30 **DEPARTMENT ESTABLISHES THE MILEAGE-BASED USER FEE PROGRAM, AND**
31 **EACH JULY 1 THEREAFTER, THE DEPARTMENT SHALL CALCULATE THE**

1 MILEAGE-BASED USER FEE FOR THE FISCAL YEAR AS PROVIDED IN THIS
2 SUBSECTION.

3 (2) THE DEPARTMENT SHALL CALCULATE A FEE PER MILE DRIVEN BY
4 DIVIDING THE HIGHWAY USE FEE UNDER § 13-956 OF THIS SUBTITLE BY THE
5 ESTIMATED AVERAGE NUMBER OF MILES A CLASS A VEHICLE TRAVELS IN THE
6 STATE EACH YEAR.

7 (3) THE MILEAGE-BASED USER FEE IS EQUAL TO THE NUMBER OF
8 MILES A PARTICIPANT'S VEHICLE TRAVELS DURING THE FISCAL YEAR MULTIPLIED
9 BY THE FEE PER MILE DRIVEN CALCULATED UNDER PARAGRAPH (2) OF THIS
10 SUBSECTION.

11 (D) THE MILEAGE-BASED USER FEE PAID BY A MOTOR VEHICLE OWNER MAY
12 NOT EXCEED THE ANNUAL HIGHWAY USE FEE THAT THE OWNER WOULD HAVE
13 OTHERWISE PAID UNDER § 13-956 OF THIS SUBTITLE.

14 (E) THE DEPARTMENT SHALL ESTABLISH POLICIES AND PROCEDURES TO
15 ALLOW OWNERS OF VEHICLES SUBJECT TO THE HIGHWAY USE FEE THE OPTION OF
16 PARTICIPATING IN THE MILEAGE-BASED USER FEE PROGRAM WITH VEHICLE
17 LOCATION AND DATA TRACKING LIMITATIONS, INCLUDING:

18 (1) THE REQUIREMENT THAT ANY DATA COLLECTED BE USED ONLY
19 FOR ADMINISTRATION OF THE PROGRAM;

20 (2) THE EXCLUSION OF ANY INDIVIDUAL PARTICIPANT DATA FROM
21 DISCLOSURE;

22 (3) THE REQUIREMENT THAT PROGRAM DATA HAVE A SPECIFIC AND
23 LIMITED DATA RETENTION PERIOD; AND

24 (4) THE REQUIREMENT THAT ANY RESEARCH USING AGGREGATED
25 DATA BE SUBJECT TO THE APPROVAL OF AN INSTITUTIONAL REVIEW BOARD.

26 (F) THE OWNER OF A MOTOR VEHICLE REGISTERED IN THE STATE MAY NOT
27 BE REQUIRED TO PARTICIPATE IN THE MILEAGE-BASED USER FEE PROGRAM.

28 (G) ON OR BEFORE JULY 1, 2029, THE DEPARTMENT SHALL ESTABLISH A
29 FULLY OPERATIONAL MILEAGE-BASED USER FEE PROGRAM.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2026.