

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 912 (Senator Mautz)
 Judicial Proceedings

Vehicle Emissions Inspection Program - Exemption for Vehicles Formerly Registered as Historic

This bill exempts a motor vehicle from the Vehicle Emissions Inspection Program (VEIP) if the motor vehicle (1) was registered as a Class L (historic) vehicle before July 1, 2025, and (2) no longer qualifies as a Class L (historic) vehicle solely as a result of the eligibility change made by the Budget Reconciliation and Financing Act (BRFA) of 2025. In order to qualify for the exemption, the owner of the motor vehicle must certify that the motor vehicle was registered as a Class L (historic) motor vehicle before July 1, 2025. The certification must be made on a form provided by the Motor Vehicle Administration (MVA). **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by \$1.2 million annually beginning in FY 2027, reflecting the loss of VEIP testing and late fee revenues. TTF expenditures increase by approximately \$36,300 in FY 2027 only to mail the required form to affected vehicle owners.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	(\$1.20)	(\$1.20)	(\$1.20)	(\$1.20)	(\$1.20)
SF Expenditure	\$0.04	\$0	\$0	\$0	\$0
Net Effect	(\$1.23)	(\$1.20)	(\$1.20)	(\$1.20)	(\$1.20)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Vehicle Emissions Inspection Program

Title 23, Subtitle 2 of the Transportation Article generally requires all model year 1977 and newer vehicles in the State to be inspected and tested every two years, unless specifically exempt. MVA and the Maryland Department of the Environment (MDE) must set the VEIP fee for each vehicle to be inspected and tested, which may not exceed \$30 through June 30, 2026. The current fee is \$30 but must be adjusted in future fiscal years to account for changes in the Consumer Price Index, as required by the BRFA of 2025.

Statutory Waivers/Exemptions

A vehicle owner must be granted a waiver from the VEIP inspection requirement if the vehicle fails to pass the exhaust emissions test but the owner provides specified evidence of payment for emissions-related repairs.

Persons with special disability registration plates, persons age 70 or older, and deployed military personnel are eligible for an exemption from the inspection requirement under specified circumstances (MVA/MDE regulations refer to these exemptions as “waivers”).

Any fire or rescue apparatus or ambulance owned or leased by a political subdivision of the State, or by a volunteer fire company, rescue squad, or volunteer ambulance company, registered as an emergency vehicle is exempt from VEIP inspections.

Regulations

Section 23-207 of the Transportation Article authorizes MVA and the Secretary of the Environment to jointly adopt rules and regulations for purposes of implementation, administration, regulation, and enforcement of the provisions of the VEIP statute, including rules and regulations that, consistent with federal law, exempt certain vehicles from the inspections and tests under the program.

MVA/MDE regulations establish various additional exemptions, including exempting vehicles not registered in the “emissions inspection area” (Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George’s, Queen Anne’s, and Washington counties, and Baltimore City). Diesel vehicles are regulated under a separate program.

Historic Vehicles

In applying for a registration of a historic motor vehicle, the owner must certify that the vehicle for which the application is made will be maintained only for use in exhibitions, club activities, parades, tours, and occasional transportation. The vehicle may *not* be used for purposes such as general daily transportation, employment, etc.

The BRFA of 2025 limited the definition of “historic motor vehicle” to model year 1999 (or earlier) vehicles, repealing the previous requirement that a motor vehicle be at least 20 years old. Accordingly, any Class L (historic) vehicles with a model year of 2000 or later lost eligibility for registration as a historic vehicle and, instead, must register by their corresponding class and weight effective July 1, 2025. Pursuant to Section 22 of the BRFA of 2025, the revenue increases attributable to this change must remain allocated within the Maryland Department of Transportation. Otherwise, a portion of the revenues collected from motor vehicle registrations is provided to local governments from the Gasoline and Motor Vehicle Revenue Account through capital transportation grants.

Most vehicle classes 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.) and the fees can be found on [MVA’s website](#). The annual registration fee for a Class L (historic) vehicle is \$55.50.

State Fiscal Effect: As noted above, the BRFA of 2025 narrowed eligibility for registration as a Class L (historic) vehicle and, as a result, certain model year vehicles (2000 or later) previously registered as historic were required to obtain a standard registration corresponding to the appropriate class and weight beginning July 1, 2025. Many – though not all – of those vehicles were also subject to VEIP testing and other surcharges beginning in fiscal 2026.

MVA advises that there are approximately 61,777 active vehicle registrations with a model year of 2000 through 2005 that lost eligibility for a Class L (historic) registration as a result of the BRFA of 2025. However, only a subset of that total (53,402, or approximately 86%) are subject to emissions testing (*i.e.*, due to being registered in counties not subject to VEIP and/or other statutory exemptions noted above).

MVA estimates the bill’s testing exemption reduces TTF revenues by \$801,030 on an annual basis. In addition, MVA notes that late fee revenues for individuals who fail to complete a VEIP test in time also decrease by approximately \$396,000 annually. Therefore, in total, TTF revenues decrease by approximately \$1.2 million annually under the bill.

MVA can develop the form required by the bill with existing resources; however, in order to mail the form to affected vehicle owners, additional mailing costs are incurred, likely totaling \$36,313 in fiscal 2027 only.

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 the Environment; Maryland Department of Transportation; Department of Legislative Services

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me/rld

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