

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 275

(Senator Watson)

Judicial Proceedings

Vehicle Laws - Electric Vehicle Dealer Licenses - City of Bowie

This bill increases, from four to five, the number of dealer licenses available for certain manufacturers or distributors that deal only in electric or nonfossil-fuel burning vehicles. The bill further specifies that one of these five licenses must be issued for the operation of a dealership in the City of Bowie.

Fiscal Summary

State Effect: The bill is not expected to materially affect State finances or operations.

Local Effect: Assuming the establishment of a new electric vehicle dealership, City of Bowie property tax revenues increase by approximately \$12,000 annually, as discussed below. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, a manufacturer or distributor may not sell a new vehicle to a retail buyer. However, a vehicle manufacturer or distributor may be licensed as a dealer if (1) the licensee deals only in electric or nonfossil-fuel burning vehicles; (2) no other dealer holds a franchise from the manufacturer or distributor; and (3) there is no cross-ownership between licensees, whereby a licensee – or any entity affiliated with or controlled by a licensee – holds a controlling interest in another licensee or other entity affiliated with or controlled by a licensee. The Motor Vehicle Administration may only issue four of these licenses. Statute does not specify the locations for dealerships operating under these licenses.

Local Revenues: According to the City of Bowie, assuming a \$3,000,000 assessed value for a new electric vehicle dealer and applying the city's property tax rate of \$0.40 per \$100 of assessed value, the bill may generate up to \$12,000 of tax revenue each year.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Cross File: None.

Information Source(s): City of Bowie; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2026
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Analysis by: Toni Heo

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