

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 567 (Delegates J. Long and Alston)
 Environment and Transportation

Motor Vehicle Laws - Registration Plates - Single Registration Plate

This bill institutes a one-registration plate requirement, repealing the requirement to display both a front and rear registration plate for most vehicle classes. The registration plate must be attached to the rear of most classes of vehicles. Any reduction in the expenditures of the Motor Vehicle Administration (MVA) resulting from the issuance of a single registration plate (rather than two) must be retained in the Transportation Trust Fund (TTF).

Fiscal Summary

State Effect: TTF expenditures decrease by approximately \$1.9 million in FY 2027 and \$2.5 million annually thereafter due to reduced production costs associated with scaling down to a single-registration plate requirement. Nonbudgeted revenues decrease, likely significantly, from an increase in unpaid tolls at facilities using electronic tolling. General fund revenues decrease beginning in FY 2027 due to the elimination of penalties collected for driving with one registration plate.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	(-)	(-)	(-)	(-)	(-)
NonBud Rev.	(-)	(-)	(-)	(-)	(-)
SF Expenditure	(\$1.9)	(\$2.5)	(\$2.5)	(\$2.5)	(\$2.5)
Net Effect	-/(-)	-/(-)	-/(-)	-/(-)	-/(-)

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

Local Effect: The bill is not anticipated to materially affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: All vehicles are required to display two registration plates, unless they are in one of five vehicle classes. Class D (motorcycle), Class F (tractor), and Class G (trailer) vehicles are exempt from the requirement for two registration plates. In addition, a Class L (historic) or Class N (street rod) vehicle is exempt if the vehicle was manufactured 50 years or more before the current model year. Class F vehicles are required to display the registration plate on the front of the vehicle. Historic and antique vehicles must display a current registration plate in the place provided on the vehicle. In addition, MVA must issue only one plate for vehicles with temporary registration.

An owner of a motor vehicle may not drive the vehicle or permit it to be driven on any highway in Maryland without validated registration plates, unless otherwise expressly authorized by MVA. Expired registration plates may not be displayed. A violation of these provisions is a misdemeanor, subject to a fine of up to \$500 or a prepayment fine of \$70.

State Expenditures: TTF expenditures decrease significantly, by as much as \$1.9 million in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. In subsequent years, TTF expenditures decrease by an estimated \$2.5 million due to annualization. This estimate reflects the savings from procuring and sending fewer registration plates.

Based on actual fiscal 2025 procurement costs, the total number of tags issued in pairs (excluding vehicle types that only require one plate) was 927,112, with corresponding expenditures totaling \$6.3 million. Under the bill, these costs are estimated to instead be approximately \$3.8 million. This estimate assumes that issuance of new and replacement plates remains constant, and that the cost of plates is flat in future years. Moreover, this does not account for any savings that may be realized due to lower shipping costs.

Other factors are not quantifiable but have an operational impact on State agencies. For example:

- The Department of Public Safety and Correctional Services notes that the bill likely decreases the number of incarcerated individuals who may participate in training activities in the Maryland Correctional Enterprises (MCE) tag plant. Additionally, MCE's costs of raw materials may increase due to the loss of quantity discounts for purchases.
- The Department of State Police advises that shifting to a single registration plate requirement may make vehicle identification efforts more difficult.

State Revenues: Nonbudgeted revenues decrease significantly as the toll collection rate at Maryland Transportation Authority (MDTA) facilities likely decreases significantly.

MDTA advises that it uses camera images of both the front and rear license plate to identify vehicles passing through toll facilities (if an E-ZPass is not present). If the rear plate is obscured or the image is distorted, MDTA relies on the front plate to determine who owes the toll.

MDTA has conducted an analysis of the effect of vehicles displaying only one registration plate and, based on the number of vehicles that would not have been charged the appropriate toll in calendar 2024, a single-plate standard could be expected to result in a loss of \$35 million in nonbudgeted revenues in the first full fiscal year. However, the Department of Legislative Services (DLS) advises that the actual revenue loss may be a fraction of this estimated amount, as the bill pertains only to the *issuance* of new registration plates, and many vehicles may continue to display two plates for many years following the bill's effective date.

General fund revenues may also decrease beginning in fiscal 2027 due to the elimination of penalties under the Maryland Vehicle Law for driving with only one registration plate. *For illustrative purposes only*, general fund revenues may decrease by about \$150,000 in fiscal 2027 and \$200,000 annually thereafter, which reflects the following assumptions:

- The number and percentage of violations resulting in a prepaid fine in fiscal 2027 and future years would otherwise remain constant at the fiscal 2025 level (3,937 and 80.1%).
- One-half of the violations for failure to display two registration plates in accordance with current law are attributed to driving with only one registration plate.
- The conviction rate in contested cases is 50% and results in the payment of a fine of one-half the statutory maximum (*i.e.*, \$250).
- Fines and penalties in fiscal 2027 and future years remain at current levels.

Additional Comments: DLS notes that the bill requires MVA to issue only one plate, but it does not require that each existing registered vehicle have only one plate. If all registered vehicles were required to have only one plate, the costs of implementing this standard could increase significantly, but the standard could also significantly reduce the potential for fraud and result in a significant decrease in MDTA nonbudgeted toll facility revenues, as noted above. Requiring all registered vehicles to comply immediately, or within a specified phase-in period, would necessitate that MVA retain a substantial number of contractual employees to collect the existing front plates. In addition, a contractual program administrator or auditor could be necessary to account for all collected plates.

Additional Information

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

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2026
caw/rd

Analysis by: Eric F. Pierce

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