

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 869 (Delegate Holmes, *et al.*)  
Environment and Transportation

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**Vehicle Laws - Electric Vehicle Dealer Licenses - City of Bowie**

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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.

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**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.

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**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.

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### **Additional Information**

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

**Cross File:** SB 275 (Senator Watson) - Judicial Proceedings.

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

**Fiscal Note History:** First Reader - March 23, 2026  
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