



## 2025 Legislative Overview<sup>1</sup>

The Maryland General Assembly convened for the 447<sup>th</sup> Legislative Session on January 8, 2025, and adjourned for Sine Die at midnight on April 7<sup>th</sup>, 2025. Bills that did not pass are considered dead and must be reintroduced next year. This session was complex with significant budgetary concerns, only exacerbated by the unknown brought forth by the federal government given Maryland's proximity to the Nation's Capital.

Governor Moore has until May 27, 2025, to decide whether he will sign, veto, or let legislation go into law without his signature. No vetoes are currently anticipated, however.

The priorities of the Transportation Association of Maryland (TAM) included:

- Introducing legislation to tie current level of LOTS funding to inflation;
- Funding for Senior Rides; and
- Monitoring and advocating on legislation impacting LOTS.

### Budget

“Significant projected general fund cash and structural budget shortfalls led to a challenging fiscal outlook as the 2025 session began. In December 2024, projected cash shortfalls totaled \$396 million for fiscal 2025 and \$2.95 billion for fiscal 2026, with structural shortfalls of \$1.07 billion and \$2.47 billion, respectively. The structural shortfall was projected to grow to \$6 billion by fiscal 2030. Sluggish economic growth, higher than expected entitlement costs, and a long-term commitment to enhancing K-12 education funding contributed to the fiscal challenges.

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<sup>1</sup> HB Strategies, a federal and multi-state government relations firm, has prepared this legislative overview for your convenience. It shall not be interpreted as legal advice.

The immediate challenge occurred despite revenue increases in the September and December 2024 estimates from the Board of Revenue Estimates (BRE) as expenses far exceeded expectations. Significant fiscal 2024 costs were rolled into fiscal 2025, Developmental Disabilities Administration (DDA) and child care scholarship expenses in fiscal 2025 surpassed the appropriation by a wide margin and were projected to grow steadily from the higher level, and the number of Medicaid enrollees and their medical needs surpassed expectations. Rapid growth in these entitlement programs exacerbated the out-year challenge associated with funding ongoing K-12 education enhancements. Growing concerns about the impact of federal government layoffs led BRE to reduce general fund revenue expectations in March 2025 for both fiscal 2025 and 2026. Worries about the potential impact of federal spending retrenchment on the Maryland economy intensified toward the end of session due to pauses in certain federal payments, cancellations of expected funding, and discussions of changes to federal support for various programs, most notably Medicaid. The Transportation Trust Fund (TTF) also faced financial challenges during the session due to a mismatch between available revenues and desired spending on capital priorities.”<sup>2</sup>

This led to a very robust dialogue around taxes and fees. The budget as introduced included a number of new taxes, many of which TAM supported when funds would be directed to the Transportation Trust Fund (TTF). As the chambers deliberated, the following was passed increasing revenue to the TTF by an estimated \$500 million in fiscal 2026. The revenue decreases to \$450 million in fiscal 2027 due to a one-time revenue action to accelerate the phase-in of the vehicle registration increases in fiscal 2026 (\$52 million). The largest of these actions relates to the new capital gains surcharge. Other provisions:

- Double the certificate of title fee, which for new/used vehicles increases from \$100 to \$200;
- Increase the vehicle excise tax from 6.0% to 6.5% beginning in fiscal 2026 and establish an excise tax at 3.5% for rental vehicles, with language related to these increases ensuring the higher excise taxes are not distributed to highway user revenues;
- Increase the fee for the Vehicle Emissions Inspection Program from \$14 to \$30, and assumes that late fees also increase;
- Require that the Motor Vehicle Administration set miscellaneous fees at a level to collect at least 100% (instead of 95%) of projected costs, and requiring the fees to be lowered if the projected revenue exceeds projected costs at a level of 105%, and altering the share of certificate of title fees included in the calculation of miscellaneous fees;
- Alter the definition of historic vehicles for registration purposes to the 1999 model year or

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<sup>2</sup> [https://dls.maryland.gov/pubs/prod/RecurRpt/25rs\\_90\\_Day\\_Report.pdf](https://dls.maryland.gov/pubs/prod/RecurRpt/25rs_90_Day_Report.pdf)

- Remove the discounted vehicle registration rate for rental vehicles, so that the registration for these vehicles is based on the class to which the car belongs; and
- Establish a new tire fee of \$5 for the first sale of a new tire, which will begin with sales on January 1, 2026.

**Exhibit A-1.12**  
**Transportation Trust Fund Revenue**  
**Fiscal 2026-2030**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Capital Gains Surcharge	\$138	\$102	\$102	\$102	\$102
Certificate of Title Fee Increase	104	104	104	104	104
Vehicle Excise Tax Increase to 6.5%	92	94	96	98	100
Registration Fee Acceleration	52				
VEIP – Increased Fee (including late fee)	30	30	30	30	30
Increase Cap on MVA Cost Recovery	20	42	38	56	63
Historic Tags	4	4	4	4	4
Tire Fee of \$5 – January 2026 start date	12	24	24	24	24
Rental Vehicle Excise Tax of 3.5%	46	47	48	49	50
Rental Car Registration Fee – No preferential rate	3	3	3	3	3
<b>Total</b>	<b>\$500</b>	<b>\$450</b>	<b>\$449</b>	<b>\$470</b>	<b>\$480</b>

MVA: Motor Vehicle Administration  
VEIP: Vehicle Emissions Inspection Program

Source: Department of Legislative Services

[https://dls.maryland.gov/pubs/prod/RecurRpt/25rs\\_90\\_Day\\_Report.pdf](https://dls.maryland.gov/pubs/prod/RecurRpt/25rs_90_Day_Report.pdf)

The LOTS remain funded and this is due to TAM's efforts last year passing legislation to level set the LOTS funding after the program was proposed to be cut. TAM successfully advocated for the \$50,000 increase for the Senior Rides program for another year. This is thanks to Senate Budget & Taxation Chair Guy Guzzone who is an advocate for the program.

### Other Legislation

In addition to TAM's personal legislative priorities, TAM monitored or advocated for/against the following legislation for impacts to LOTS and transit:

Bill	Sponsors	Title	Summary	Status
<a href="#">SB 127</a>	<a href="#">Kagan</a>	State Government - Grants and Contracts - Reimbursement of Indirect Costs Companions: <a href="#">HB 300</a>	Repeals a requirement that a State grant or contract – funded wholly by State funds, or with a combination of State and other nonfederal funds, and awarded to a nonprofit organization that has not negotiated and received a specified indirect cost rate – allow the nonprofit organization to reimburse indirect costs at a rate equal to at least 10%. Instead, a nonprofit organization may reimburse indirect costs at the greater of the <i>de minimis</i> rate established in specified federal regulations (currently 15%) or 15%. <b>The bill terminates June 30, 2028.</b>  It has already gone into effect.	Passed
<a href="#">HB 300</a>	<a href="#">Kerr</a> <a href="#">Bagnall</a> <a href="#">Bhandari</a>	State Government - Grants and Contracts - Reimbursement of Indirect Costs Companions: <a href="#">SB 127</a>		Passed
<a href="#">SB 266</a>	Departmental Planning	Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy - Planning Principles Companions: <a href="#">HB 286</a>	Replaces the 12 “visions” – that a local planning commission must implement through a local jurisdiction’s comprehensive plan – with 8 “planning principles.” The bill establishes (1) the goals of the planning principles and (2) that the goals should be accomplished through public participation and stewardship. Correspondingly, the bill (1) alters identical text – that makes up the State Economic Growth, Resource Protection, and Planning Policy – in the same manner, so that the policy consists of the 8 “planning principles,” and (2) references the new policy under specified criteria for State funding of growth-related transportation projects that are not in a priority funding area, as described below.  It takes effect October 1, 2025.	Passed
<a href="#">HB 286</a>	Departmental Planning	Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy - Planning Principles Companions: <a href="#">SB 266</a>		Passed
<a href="#">SB 187</a>	Departmental Transportation	Drunk Driving - Commercial Driver's Licenses - Disqualification From Driving Companions: <a href="#">HB 189</a>	Requires the Motor Vehicle Administration (MVA) to disqualify any individual from driving a commercial motor vehicle for a period of one year if the individual, while holding a commercial instructional permit or commercial driver’s license (CDL), drives (or attempts to drive) any	Passed

			motor vehicle while the alcohol concentration of the person's blood or breath is 0.08 or greater.  It takes effect October 1, 2025.	
<a href="#">HB 189</a>	Departmental Transportation	Drunk Driving - Commercial Driver's Licenses - Disqualification From Driving Companions: <a href="#">SB 187</a>		Passed
<a href="#">SB 858</a>	<a href="#">Henson</a>	State Public Transit Service and Stations - Exclusion for Assault and Bodily Injury Companions: <a href="#">HB 1144</a>	Requires the Maryland Transit Administration (MTA), by June 1, 2025, in consultation with specified entities, to convene a workgroup to create a rider code of conduct and implement a comprehensive internal safety program to strengthen protections for MTA operators and passengers, as specified. Until the rider code of conduct is adopted and the comprehensive internal safety program is implemented, a person who is alleged by a public transit operator to have committed an assault or other intentional act causing bodily injury to a public transit operator or a passenger while the person is on board a State public transit service or at a State public transit service station may be prohibited from using a State public transit service or entering a State public transit service station, under guidelines and subject to an appeals process established by MTA.  It takes effect June 1, 2025.	Passed
<a href="#">HB 1144</a>	<a href="#">Addison</a> <a href="#">Lehman</a> <a href="#">Allen</a>	State Public Transit Service and Stations - Exclusion for Assault and Bodily Injury Companions: <a href="#">SB 858</a>		Passed
<a href="#">SB 281</a>	<a href="#">Simonaire</a> <a href="#">Salling</a> <a href="#">Jennings</a>	Transportation Equality for Service Members Act Companions: <a href="#">HB 475</a>	Establishes uniform definitions related to the military in the General Provisions, State Government, and Transportation Articles of the Maryland Code, primarily by reference to definitions in the U.S. Code. While certain alterations within the bill represent only stylistic or technical changes, there are substantive changes. These changes generally make certain provisions within the Transportation Article applicable to all members of the uniformed services, thereby expanding eligibility for certain benefits (e.g., special registration plates, license expirations/renewals, emissions exemptions, etc.).  It takes effect October 1, 2025.	Passed
<a href="#">HB 475</a>	<a href="#">Allen</a> <a href="#">Guyton</a> <a href="#">Healey</a>	Transportation Equality for Service Members Act Companions: <a href="#">SB 281</a>		Passed

<a href="#">HB 1371</a>	<a href="#">Terrasa</a>	Vehicle Laws - Driver's Licenses - Electronic Credentials (Maryland Mobile ID Enhancement Act)	<p>Authorizes the Motor Vehicle Administration (MVA) to enter into an agreement to facilitate the issuance, use, and verification of electronic credentials through a national association of motor vehicle agencies. The bill also authorizes an individual who will operate a rented vehicle to use an electronic credential showing a representation of a valid driver's license (instead of a physical driver's license) to rent the vehicle.</p> <p>It takes effect October 1, 2025.</p>	Passed
<a href="#">HB 860</a>	<a href="#">Buckel</a> <a href="#">Cardin</a> <a href="#">Conaway</a>	Public Nuisance - Common Carriers - Damage to Public Infrastructure	<p>Prohibits a "common carrier" or an employee of the common carrier from causing damage to "public infrastructure" that necessitates the closure of the public infrastructure. A violation of this prohibition is a public nuisance, and the State (for State public infrastructure) or counsel designated or retained by a local government (for local government public infrastructure) may bring an action against a common carrier for a public nuisance caused by a violation. The State or a local government may seek injunctive relief, declaratory relief, and compensatory damages for the cost of the repair or replacement of the affected infrastructure. A common carrier that commits a violation may be liable to the State or local government for civil penalties of \$1,000 per day for each day the public nuisance continues until the public infrastructure is sufficiently repaired for public use or is replaced. The State or a local government may file an action against a common carrier under the bill at any time following the violation giving rise to the cause of action and until the public infrastructure is sufficiently repaired for public use or is replaced.</p> <p>It takes effect October 1, 2025.</p>	Passed
<a href="#">HB 1</a>	<a href="#">Ebersole</a> <a href="#">Bagnall</a> <a href="#">Boyce</a>	<p>Department of Transportation - Human Trafficking Awareness, Training, and Response (See Someone, Save Someone Act)</p> <p>Companions: <a href="#">SB 7</a></p>	<p>Requires the Maryland Department of Transportation (MDOT), in consultation with stakeholders, to develop or identify and implement a training program that includes a curriculum on the identification and reporting of suspected human trafficking. MDOT must administer the training program to specified MDOT employees (including employees under contract). Each employer of an affected employee must (1) certify to MDOT that its employees have completed the training program by January 1 annually beginning in 2027; (2) provide the training to a new employee within 90 days after the date of hire; (3) establish a human trafficking reporting procedure, as specified; and (4) implement a human trafficking prevention policy, as specified. Finally, to the extent practicable, MDOT must require frequent public service</p>	Passed

			<p>announcements with safety information for human trafficking victims, as specified.</p> <p>It takes effect October 1, 2025.</p>	
<a href="#">SB 7</a>	<a href="#">M. Jackson</a>	<p>Department of Transportation – Human Trafficking Awareness, Training, and Response (See Someone, Save Someone Act)</p> <p>Companions: <a href="#">HB 1</a></p>		
<a href="#">HB 450</a>	<a href="#">Guyton</a> <a href="#">Attar</a> <a href="#">Forbes</a>	<p>Maryland Transit Administration - Disability Reduced Fare Program - Renewal for Permanently Disabled Individuals</p>	<p>Requires the Maryland Transit Administration (MTA) to automatically renew the Disability Reduced Fare Program certification of an enrollee who is permanently disabled; MTA must adopt regulations to establish a process to implement this requirement.</p> <p>It takes effect October 1, 2025.</p>	Passed
<a href="#">HB 1481</a>	<a href="#">Hill</a> <a href="#">Kaufman</a> <a href="#">Patterson</a>	<p>Disability Services - Adapted Vehicle Access Pilot Program - Established</p>	<p>Establishes the Adapted Vehicle Access Pilot Program in the Maryland Department of Disabilities (MDOD) to provide “adapted vehicles” to “eligible individuals” who do not qualify for other programs offered by MDOD that provide access to adapted vehicles. MDOD must (1) prioritize individuals who reside in areas with limited access to public transportation and (2) request, apply for, and facilitate donations of vehicles, vehicle modification and adaptive services, and funds from individuals or public or private corporations to implement the program. MDOD may apply for, receive, and spend federal funds and grants for the program. By December 1, 2028, MDOD must report to the Governor and the General Assembly on (1) the number of recipients of vehicles under the program; (2) how the program has affected recipients’ independence, mobility, job opportunities, and dependency on public subsidies; (3) the availability of vehicles, modification and adaptation services, and funds; and (4) a recommendation on whether the program should be extended or expanded. MDOD must make reasonable efforts to anonymize the data to protect the privacy of recipients. The bill terminates September 30, 2030.</p> <p>It takes effect October 1, 2025.</p>	Passed
<a href="#">SB 555</a>	Office of the Attorney General	<p>Public Information Act - Denials - Pending Litigation</p> <p>Companions: <a href="#">HB 821</a></p>		
<a href="#">HB 821</a>	Office of the Attorney General	<p>Public Information Act - Denials - Pending Litigation</p>		

		Companions: <a href="#">SB 555</a>		
<a href="#">HB 467</a>	<a href="#">Korman</a> <a href="#">J. Lewis</a> <a href="#">Palakovich Carr</a>	Metro Funding Modification Act of 2025 Companions: <a href="#">SB 384</a>		
<a href="#">SB 384</a>	<a href="#">Augustine</a>	Metro Funding Modification Act of 2025 Companions: <a href="#">HB 467</a>		
<a href="#">SB 1045</a>	<a href="#">Hettleman</a>	Sales and Use Tax - Taxable Business Services - Alterations Companions: <a href="#">HB 1554</a>		
<a href="#">HB 1554</a>	<a href="#">Moon</a>	Sales and Use Tax - Taxable Business Services - Alterations Companions: <a href="#">SB 1045</a>		
<a href="#">HB 1463</a>	<a href="#">Edelson</a> <a href="#">Embry</a> <a href="#">R. Lewis</a>	Transportation - Maryland Transit Administration - Funding (Transit Safety and Investment Act of 2025)		
<a href="#">SB 1020</a>	<a href="#">Hershey</a>	Environment - Advanced Clean Cars II Program - Application and Enforcement		
<a href="#">HB 1501</a>	<a href="#">Wells</a> Baltimore City Administration	Baltimore City - Assault of Special Enforcement Officers - Penalties Companions: <a href="#">SB 825</a>		
<a href="#">SB 825</a>	<a href="#">McCray</a> Baltimore City Administration	Baltimore City - Assault of Special Enforcement Officers - Penalties Companions: <a href="#">HB 1501</a>		
<a href="#">HB 1457</a>	<a href="#">Solomon</a> <a href="#">Fair</a> <a href="#">Lehman</a>	Alternative Fuel, Fuel- Efficient, and Electric Vehicles - Highway Use Fees		
<a href="#">HB 1370</a>	<a href="#">Spiegel</a> <a href="#">Amprey</a> <a href="#">Boafo</a>	Transportation - Regional Transportation Authorities Companions: <a href="#">SB 881</a>		
<a href="#">SB 881</a>	<a href="#">Rosapepe</a>	Transportation - Regional Transportation Authorities Companions: <a href="#">HB 1370</a>		
<a href="#">HB 1500</a>	<a href="#">Kerr</a>	Commercial Driver's Licenses - Out-of-State Residents - School Buses or Passenger Vehicles Companions: <a href="#">SB 884</a>		



<a href="#">HB 1360</a>	<a href="#">Qi Acevero Cardin</a>	Environment - Road Salt - Outdoor Storage		
<a href="#">HB 1269</a>	<a href="#">Howard</a>	School Bus Transition - Propane-Powered School Buses - Grant Program, Fund, and Purchase		
<a href="#">SB 935</a>	<a href="#">Benson</a>	Transportation - Regional Authorities - Established		
<a href="#">HB 846</a>	<a href="#">R. Lewis Amprey Edelson</a>	Transportation Access and Revenue Act		
<a href="#">HB 432</a>	<a href="#">Edelson</a>	Locally Operated Transit Systems - Mandatory Funding - Inflation Adjustment (Local Transit Sustainability Act) Companions: <a href="#">SB 20</a>		
<a href="#">SB 20</a>	<a href="#">McCray</a>	Locally Operated Transit Systems - Mandatory Funding - Inflation Adjustment (Local Transit Sustainability Act) Companions: <a href="#">HB 432</a>		
<a href="#">HB 20</a>	Departmental Transportation	Transportation – Consolidated Transportation Program – Prioritization (Transportation Investment Priorities Act of 2025) Companions: <a href="#">SB 198</a>		
<a href="#">SB 198</a>	Departmental Transportation	Transportation - Consolidated Transportation Program - Prioritization (Transportation Investment Priorities Act of 2025) Companions: <a href="#">HB 20</a>		
<a href="#">SB 560</a>	<a href="#">M. Washington Lam</a>	Public Health - Maryland Commission on Health Equity - Membership and Purposes		
<a href="#">HB 206</a>	<a href="#">R. Lewis</a>	Vehicle Laws - Bus Obstruction Monitoring Systems and Bus Stop Zones		
<a href="#">HB 695</a>	<a href="#">M. Morgan Arentz Arian</a>	Repair the Transportation Trust Fund Act		
<a href="#">HB 641</a>	<a href="#">Ruth</a>	State Property Tax - Transportation Funding (Transportation Funding Act of 2025)		

<a href="#">HB 37</a>	<a href="#">Vogel</a>	Declaration of Rights - Right to Organize		
<a href="#">HB 167</a>	<a href="#">Fair Charkoudian Pruski</a>	Vehicle Excise Tax - Rate Increase		
<a href="#">HB 106</a>	<a href="#">Harris</a>	Public Safety - 9-1-1 Emergency Telephone System - Definition of First Responders Companions: <a href="#">SB 805</a>		
<a href="#">HB 83</a>	<a href="#">Boyce</a>	Environment - Tire Recycling Fee - Alterations		

## Advocacy Day

The Association hosted another successful and widely attended legislative advocacy evening with VIPs in attendance. Being involved and present in Annapolis is a helpful component for successful advocacy.

## Planning Ahead and Next Steps

Remaining bill signings are scheduled for May 6<sup>th</sup> at noon, May 13<sup>th</sup> at noon, and May 20<sup>th</sup> at noon. The Governor has until May 27<sup>th</sup> to sign legislation, let legislation go into law without his signature or veto the legislation. AGR is not currently expecting any legislation to be vetoed, but we are aware that efforts are being made, as they are every year, by certain groups to encourage the veto of certain legislation.

Other upcoming important dates include:

**April 27** – 20<sup>th</sup> Day after adjournment – Final date for presentment of bills to the Governor

**May 27** – 30<sup>th</sup> Day after presentment – Governor to sign/veto bills by this date

**June 1** – Other than emergency bills and as otherwise provided, earliest date for bills to take effect

**July 1** – Budgetary, tax, and revenue bills to take effect

**October 1** – Usual effective date for bills

HB Strategies will monitor the potential for a special session given the proximity of Maryland to DC and the cascading effects that the unpredictable changes brought forth by the federal government have on the State.

HB Strategies will also continue to monitor the MD Register and update TAM on proposed regulations and be involved as necessary especially as new regulations are promulgated to carry out some of this soon-to-be effective legislation from the 2025 Legislative Session.

TAM and HB Strategies also recognizes that as soon as one legislative session ends, the work of an anticipated next session begins. We will work together to identify realistic priorities leading into the 2026 Session and consider the dynamics of the upcoming 2026 election year. After identifying initial interests, interim dates to consider in developing a legislative strategy for 2026 include:

**November 1, 2025-** Deadline to request drafting of pre-filed legislation

**November 20, 2025-** Statutory deadline for members of the General Assembly to approve drafted bills for prefile introduction

**January 14, 2026-** Beginning of the 2026 MD Legislative Session

HB Strategies continues to enjoy working with TAM and looks forward to another successful interim and session ahead.

