

**Date:** May 17, 2024  
**To:** ERT Vendors, Dealers, and Tag & Title Agents  
**From:** Maryland Motor Vehicle Administration (MVA) - Central Operations  
**RE:** New Vehicle Registration Fees and Term

## PURPOSE

This bulletin summarizes the impact of [Senate Bill 362 \(SB 362\) of the 2024 Legislative Session](#). This legislation adjusts registration fees for most vehicles by class and weight, alters the annual surcharges to certain motor vehicles, and provides flexibility when paying vehicle registration fees by offering a one-year registration term and an installment plan.

## SB 362 OVERVIEW

SB 362 of the 2024 Legislative Session – also referred to as the Budget Reconciliation and Financing Act (BRFA) of 2024 – includes:

- Adjusted vehicle registration fees for Classes A – G, J, M, N, Q, and P in FY 25, FY 26 and in some cases, FY 27
- New weight categories for Classes A, E and M
- New registration fee for Class E vehicles used as construction vehicles
- Adjusted surcharge for benefit of trauma physician and emergency medical system funds
- New annual surcharge for electric vehicles
- Increase in dealer processing fees

This law also provides vehicle owners with more flexibility in paying vehicle registration fees.

The law is effective July 1, 2024, although some of the adjustments may not take effect until later. The updated fees are posted at <https://mva.maryland.gov/about-mva/Pages/fees>.

## IMPLEMENTATION BY MARYLAND MOTOR VEHICLE ADMINISTRATION

Fiscal Year 2025 (July 1, 2024 – June 30, 2025)

*General Information:* Starting July 1, 2024, MVA will implement:

- Adjusted vehicle registration fees for Classes A – G, J, M, N, Q, and P
- New weight categories for Classes A, E and M
- New registration fee for Class E vehicles used as construction vehicles
- Adjusted surcharge for benefit of trauma physician and emergency medical system funds
- 1-year or 2-year registration options

*New Registrations:* The registration fee will be based the vehicle’s registration month. This means that a customer issued a June month sticker will pay the current registration fee. If the customer is issued a July month sticker, the customer will pay the adjusted registration fee.

For customers receiving temp tags for their new vehicle, the month sticker assigned to this vehicle will be the month the dealer “pends” or “finalizes” the transaction in the ERT system.

- If the dealer “pends” or “finalizes” the transaction in June 2024, the customer will pay the current fees and surcharges.
- If the dealer “pends” or “finalizes” the transaction in July, the customer will be charged the adjusted fees. If the customer acquired the vehicle in June 2024, the dealer must include the adjusted fees in the bill of sale.

*Renewal Registrations:* Generally, the registration fee will be based on when the vehicle’s current registration expires.

- If the registration expires in or before June 2024, the customer will pay the current fees – even if the customer pays the registration after July 1, 2024.
- If the registration expires in or after July 2024, the customer will pay the adjusted fees – even if the customer pays the registration before July 1, 2024.
- Exception: If the customer renews their registration six months or more after their registration expires, the customer’s registration term will begin the month that the customer renews their registration. If the month the customer renews is after July 1, 2024, the customer will pay the adjusted fees. These customers will need to come to an MVA branch to renew their expired registrations.

*Tag Transfer:* The registration fee will be based on the start of the registration term being transferred.

- Example: A customer has a vehicle with a two-year registration starting in June 2023. In July 2024, the customer transfers the tags to another vehicle. The registration for the second vehicle would be covered by the registration already paid for the other vehicle.

*Registration Correction:* The registration fee will be based on the start of the registration being updated.

- Example: A customer has a vehicle with a two-year registration starting June 2024. In July 2024, a correction is applied to the registration. The corrected registration fee is based on the current registration fees.

*Dealer Processing Fees:* SB 362 increases dealer processing fees up to \$800 starting July 1, 2024. The processing fees remain taxable.

*Annual Surcharge for Electric Vehicles:* The timeline for implementing the annual surcharge for electric vehicles has not yet been finalized but will not be implemented on July 1, 2024. Information will be provided once an implementation timeline is defined.

#### Fiscal Year 2026 (July 1, 2025 – June 30, 2026)

Starting July 1, 2025, MVA will implement the additional vehicle registration fee adjustments for Classes A – G, J, M, N, Q, and P and adds the annual surcharge for electric vehicles.

Fiscal Year 2027 (July 1, 2026 – June 30, 2027)

Starting July 1, 2026, MVA will implement the final vehicle registration fee adjustments for certain Class A, E and M motor vehicles.

## **IMPLEMENTATION BY ERT VENDORS**

All ERT vendors must make the necessary software changes to implement the requirements of SB 362. This includes:

- Providing all customers with the option to pay a 1-year or 2-year registration fee
- Changes to weight ratings for Class A, E, and M vehicles.
  - Add new weight ratings for Class A and M vehicles. The new ratings are:
    - 0 – 3,500 lbs
    - 3,501 lbs – 3,700 lbs
  - Add new weight ratings for Class E (Trucks) vehicles. The new ratings are:
    - 0 – 3,500 lbs
    - 3,501 lbs – 5,000 lbs
    - 5,001 lbs – 7,000 lbs
- Allowing the alternate vehicle registration fee for Class E vehicles used as construction vehicles (a new “use type”) and requiring the upload of a new supporting “document type” (to be determined).

These changes should be made by July 1, 2024, or as soon thereafter as possible and tested in Staging to verify that the correct fees are returned. For more information about the specific changes needed, see Electronic Registration & Titling Interface Control Document (version 2.15) pages 32, 62, 66, 86, and 176 for parameters related to the 1-year registration fee and pages 167 and 179 for changes related to the Class E construction vehicle registration fee.

MVA is currently testing changes to provide ERT vendors with the new vehicle registration fees, surcharges, and weight categories. These changes moved to production on May 16, 2024.