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January 17, 2022

Maryland House of Delegates  
Environment and Transportation Committee  
Room 251  
House Office Building  
Annapolis, Maryland 21401

**Re: HB 46, SEMA support, if amended**

Dear Members of the Environment and Transportation Committee:

On behalf of the Specialty Equipment Market Association (SEMA), I am writing to express support for House Bill (HB) 46 (Fraser Hidalgo) if it is amended in a manner that creates an exemption for Class L (historic) and Class N (street rod) vehicles. If enacted into law, HB 46 would collect a recurring \$14 fee on motor vehicles not subject to the state's Vehicle Emissions Inspection Program to raise funds to incentivize the purchase of electric vehicles in the state. SEMA thanks Del. Fraser Hidalgo for his willingness to work with us on this matter and hopes that our suggested amendment will be adopted.

Representing the \$48 billion specialty automotive industry, SEMA is a trade association made up of approximately 7,500 mostly small businesses nationwide, including 74 in Maryland, that manufacture, market and sell specialty automotive aftermarket products, including appearance, performance, comfort, convenience and technology products for motor vehicles.

Under current Maryland law, historic vehicles are those that are at least 20 years old and have not been substantially altered from their original appearance. Historic vehicles are limited in use and may only be driven for exhibitions, club activities, parades, tours, occasional transportation, and similar uses. They are strictly prohibited from being used as daily drivers, such as transportation to work, school, or for commercial purposes. Examples include classic Ford Mustangs and Chevy Camaros.

Additionally, historic vehicles of model year 1986 and newer are subject to equipment repair orders to prevent abuse of the program. These repair orders are issued for vehicle safety equipment that is in disrepair and would require a subsequent inspection to determine that the repair had been effective.

Street rods are vehicles that are at least 25 years old and have been substantially altered from their original appearance. These vehicles are subject to the same usage requirements as historic vehicles. Examples include modified 1930s Ford coupe hot rods.

Because historic and street rod vehicles are driven infrequently, SEMA does not believe they should be subject to the fee proposed in HB 46. SEMA respectfully requests that HB 46 be amended as follows:

**23–205.1.**

**(A) THE ADMINISTRATION SHALL ESTABLISH A FEE OF \$14 TO BE COLLECTED ONCE EVERY 2 YEARS ON EACH MOTOR VEHICLE REGISTERED IN THE STATE THAT IS:**

**(1) GRANTED A WAIVER FROM MANDATORY INSPECTIONS UNDER § 23–202 OF THIS SUBTITLE;**

**(2) NOT SUBJECT TO MANDATORY INSPECTIONS UNDER § 23–202(B)(2) OF THIS SUBTITLE; OR**

**(3) EXEMPTED FROM MANDATORY INSPECTIONS UNDER § 23–206.1 OR § 23–206.2 OF THIS SUBTITLE.**

**(B) REVENUES COLLECTED FROM THE FEE ON MOTOR VEHICLES UNDER THIS SECTION SHALL BE:**

**(1) DEPOSITED INTO THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9–20B–05 OF THE STATE GOVERNMENT ARTICLE; AND**

**(2) USED TO:**

**(I) PROVIDE REBATES ON THE SALE OF ELECTRIC VEHICLES;**

**(II) PURCHASE ELECTRIC TRANSIT AND SCHOOL BUSES; AND**

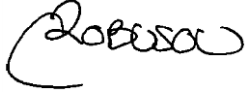
**(III) EXPAND ELECTRIC VEHICLE INFRASTRUCTURE.**

**(C) VEHICLES REGISTERED UNDER § 13–936 OR § 13–937.1 OF THIS ARTICLE AS A CLASS L (HISTORIC) OR CLASS N (STREET ROD) VEHICLE ARE EXEMPT FROM THE FEE ON MOTOR VEHICLES IN 23–205.1(A) OF THIS SUBTITLE.**

If you have any questions, or require additional information please feel free to contact me by phone at (202) 794-8279 or by e-mail at christianr@sema.org.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Robinson". The signature is written in a cursive style with a large, sweeping initial "R" that loops back under the rest of the name.

Christian Robinson  
Director, State Government Affairs  
Specialty Equipment Market Association