

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 246

(Delegate Malone, *et al.*)

Environmental Matters

Judicial Proceedings

Motor Vehicles - Inspection Certificates for Used Vehicles - Procedures

This bill requires the Department of State Police (DSP) Automotive Safety Enforcement Division to establish the manner and format for the submission of an inspection certificate for the transfer of a used vehicle. The bill authorizes the Automotive Safety Enforcement Division to allow electronic submission of the inspection certificate, and it requires the division to allow submission of an inspection certificate form. The bill also makes several changes to the requirements and procedures governing the issuance and display of used vehicle inspection certificates. Generally, the bill repeals references to a physical certificate, such as requirements to sign and date a certificate and to attach or affix a certificate to a vehicle window. The bill also removes the requirement that certificates be issued without charge by an inspection station. Finally, the bill requires DSP to report to specified legislative committees regarding the manner of used vehicle inspection certificate submissions under the bill, including the number of times each method of submission is used.

The bill takes effect July 1, 2014, and terminates June 30, 2017.

Fiscal Summary

State Effect: General fund expenditures decrease by as much as \$20,000 annually from FY 2015 through 2017, as the Automotive Safety Enforcement Division eliminates the procurement of inspection certificates. Revenues are not affected.

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

Small Business Effect: Minimal.

Analysis

Current Law: The Automotive Safety Enforcement Division must prepare inspection certificate forms and provide them without charge to inspection stations. When a licensed dealer that is also an inspection station transfers most types of used vehicles, it is required to prepare and attach an inspection certificate to a window of a vehicle or have one prepared and attached by another inspection station. If any other person transfers a used vehicle, generally the person must obtain an inspection certificate from an inspection station; the inspection certificate must be issued without charge and attached to a window of the vehicle.

Before the Motor Vehicle Administration (MVA) titles and registers a used vehicle, it must require the applicant to present a valid inspection certificate for the vehicle, and the person transferring the vehicle must remove the inspection certificate from the window and present it to MVA upon applying for a certificate of title.

An “inspection certificate” is defined as a written certification by an inspection station that certifies that, as of its date, a specified vehicle meets or exceeds equipment standards, and it is signed and dated on behalf of the inspection station by the registered individual who personally inspected the vehicle.

The Automotive Safety Enforcement Division is authorized to establish standards by regulation for the operation of inspection stations.

Background: DSP advises that, in collaboration with the Department of Information Technology (DoIT), the Automotive Safety Enforcement Division has initiated the planning process to transition from the issuance of physical used vehicle inspection certificates to the use of an electronic system. The new system is proposed to rely on the use of tablet computers, software, and a database to provide access to the electronic certificate. DSP advises that the cost to implement the new system has been estimated at more than \$1.8 million annually, to be incurred by the vendor that is contracted to implement and operate the system. The vendor may then charge a fee for its services, which may not exceed \$4 per certificate, and may be adjusted based on future changes in the number of certificates issued. According to DSP, the transition to this electronic process is contingent on the passage of this bill.

State Expenditures: General fund expenditures decrease by up to \$20,000 annually, from fiscal 2015 through 2017, as the Automotive Safety Enforcement Division reduces the procurement of paper used for vehicle inspection certificates. The electronic process being planned by DSP and DoIT involves no additional State expenditures. System development and operation costs are to be incurred by the responsible vendor, which may then charge a fee for its services.

Additional Information

Prior Introductions: None.

Cross File: SB 389 (Senator Robey) – Judicial Proceedings.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of State Police, Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2014
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