

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 681

(Senator Ready)

Judicial Proceedings

Rules and Executive Nominations

Motor Vehicles - Inspection Certificates - Exception

This bill exempts the transfer of a used vehicle from a business entity to the majority owner of the business entity from the requirement to obtain a motor vehicle safety inspection certificate, but only if two conditions are met. To qualify for the exemption, the vehicle must be primarily driven by the majority owner, and the business entity must have been dissolved or be in the process of dissolution.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances and operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, if a person transfers a used motor vehicle, the person has to obtain an inspection certificate from an inspection station. The inspection requirement does not apply to transfers between spouses, parents and children, vehicle co-owners, or vehicles that are not to be both titled and registered in Maryland. The inspection requirement also does not apply to other specialized types of transfers, as specified in statute.

A valid inspection certificate for a used vehicle is required for titling and registration. However, Class L (Historic) vehicles are exempt from this requirement. An inspection certificate is valid from the date of the inspection certificate for a period of 90 days. An inspection certificate issued for a used vehicle owned and held in inventory by a licensed

dealer expires at the earlier of six months or after 1,000 miles have been added to the vehicle's odometer since issuance of the inspection certificate.

If a person applies for titling and registration of a used vehicle, the Motor Vehicle Administration may issue a temporary registration and withhold delivery of the certificate of title until an inspection certificate is received. A vehicle with a temporary registration must be inspected within 60 days of the issuance of the temporary registration.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1315 (Delegate Fraser-Hidalgo) - Environment and Transportation.

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

Fiscal Note History: First Reader - February 19, 2021
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