

SENATE BILL 125

R4

(PRE-FILED)

6lr0155

CF HB 251

By: Chair, Judicial Proceedings Committee (By Request – Departmental – Transportation)

Requested: September 26, 2025

Introduced and read first time: January 14, 2026

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Transfer of Used Vehicles – Repeal of Notarized Bill of Sale
3 Requirement**

4 FOR the purpose of repealing the requirement that a notarized bill of sale be submitted to
5 the Motor Vehicle Administration when transferring ownership of a certain used
6 vehicle; and generally relating to the transfer of used vehicles.

7 BY repealing and reenacting, with amendments,
8 Article – Transportation
9 Section 13–809
10 Annotated Code of Maryland
11 (2020 Replacement Volume and 2025 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Transportation**

15 13–809.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) “Fair market value” means:

18 (i) As to the sale of any new or used vehicle by a licensed dealer, the
19 total purchase price, as certified by the dealer;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1. The total purchase price; or
2. \$640;

(iii) Except as provided in item (iv) of this paragraph, as to any other used vehicle that is sold by any person other than a licensed dealer:

(iv) As to a used trailer, a motor scooter, a moped, or an off-highway recreational vehicle that is sold by any person other than a licensed dealer, the greater of:

25 (v) In any other case, the valuation shown in a national publication
26 of used car values adopted for use by the Department.

31 (ii) As to a person trading in a nonleased vehicle to enter into a lease
32 for a period of more than 180 consecutive days, "total purchase price" means the retail value
33 of the vehicle as certified by the dealer, including any dealer processing charge, less an

1 allowance for the trade-in of the nonleased vehicle but with no allowance for other
2 nonmonetary consideration.

(4) "Trailer" has the meaning stated in § 11-169 of this article.

(b) (1) Except as otherwise provided in this part, in addition to any other charge required by the Maryland Vehicle Law, an excise tax is imposed:

(ii) Except as provided in paragraph (2) of this subsection, for each motor vehicle, trailer, or semitrailer that is in interstate operation and registered under § 13–109(c) or (d) of this title without a certificate of title.

(2) (i) An excise tax of \$50 is imposed for the registration of a trailer exempt from the titling requirement under § 13–102(12) of this title.

20 (ii) In a case where the fair market value as defined in subsection
21 (a)(2)(iii)2A of this section applies, the excise tax imposed under this part may not be less
22 than \$32.

25 (c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed
26 by this section is:

27 (i) Except as provided in item (ii) of this paragraph, 6.5% of the fair
28 market value of the vehicle; or

29 (ii) For a rental vehicle, 3.5% of the fair market value of the vehicle.

imposed by this State, then the tax imposed shall apply but at a rate measured by the difference only between the tax rate paid to the other state and the tax rate imposed by this section, if the present owner has not been a Maryland resident for more than 60 days.

14 (d) Each applicant for a certificate of title or for registration under § 13–109(c) of
15 this title shall submit to the Administration[:

16 (1) The] THE information that the Administration considers necessary as
17 to:

18 (i) (1) The time of purchase of the vehicle; and

22 [1.] (I) Canceled checks;

23 [2.] (II) Money order receipts;

24 [3.] (III) Loan documents; or

25 [4.] (IV) A written description of the vehicle's condition[;
26 and].

[27] (2) If the excise tax is based on the total purchase price of the vehicle as
[28] provided in subsection (a)(2)(iii)2A of this section, a notarized bill of sale that:

29 (i) Is designed by, and obtained from, the Administration;

30 (ii) Is signed by the buyer and the seller; and

1 (iii) Includes a statement explaining why the vehicle was sold at the
2 price stated in the bill of sale.]

3 (e) Any person who fails to pay the excise tax as required in this section is guilty
4 of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

5 (f) The Administration shall adopt regulations to implement the provisions of
6 this section.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2026.