



Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
Gregory Slater
Secretary

February 27, 2020

The Honorable Kumar Barve
Chairman, House Environment and Transportation Committee
251 House Office Building
Annapolis MD 21401

Re: *Letter of Information – House Bill 1033 – Vehicle Laws – Liens – Electronic Recording*

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1033 but offers the following information for the Committee's consideration.

House Bill 1033 requires that certain lienholders electronically file any release related to motor vehicle liens with the MDOT Motor Vehicle Administration (MDOT MVA), and further requires that the MDOT MVA develop and implement an electronic system for recording and releasing security interests. The bill requires that the electronic system provide for the recording and releasing of liens without security interest filing and authorizes several other system capabilities.

MDOT MVA is currently engaged in its five-year comprehensive systems modernization project to overhaul all systems used to deliver service to our customers. A top objective of Customer Connect is to improve customer experience by enhancing and improving data exchanges to create efficiencies; once complete, Customer Connect will dramatically enhance delivery of driver licensing, business licensing, and title and registration services.

The electronic lien system (ELS) mandated by House Bill 1033 is currently available for lienholders and functionality will be even more robust in the upgraded system. MDOT MVA looks forward to implementing an expanded ELS system in order to enhance information security, reduce manual typographical errors, shorten wait times by reducing reliance on postal mail, and add ease to processing for car dealers. In addition to providing for the recording and release of liens, the ELS feature of the new system will allow for a variety of notices to be exchanged between the lienholder and MDOT MVA, such as confirmation that a lien was printed, or that a title number was updated. Enhanced ELS is a feature of Phase I of Customer Connect implementation, which will deploy to the public May 26, 2020; the second and final phase will be implemented October 2021.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 1033.

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Respectfully submitted,

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