
By: Delegate Curran

Introduced and read first time: January 31, 1996

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Security Interests - Reporting of Release**

3 FOR the purpose of requiring a party who holds a security interest in certain vehicles to
4 deliver a copy of a security interest release form to a licensed dealer who pays off
5 the security interest on behalf of the owner of the vehicle if the owner authorizes
6 the secured party in writing to provide a copy of the release to the dealer.

7 BY repealing and reenacting, with amendments,
8 Article - Transportation
9 Section 13-205
10 Annotated Code of Maryland
11 (1992 Replacement Volume and 1995 Supplement)

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

14 **Article - Transportation**

15 13-205.

16 (a) When a security interest in a vehicle is satisfied, the secured party shall
17 execute a release of the security interest on the form that the Administration requires.

18 (b) When a security interest in a vehicle is satisfied, the secured party shall
19 immediately deliver copies of the release to:

20 (1) [the] THE owner [and to];

21 (2) [the] THE Administration; AND

22 (3) A DEALER LICENSED UNDER TITLE 15, SUBTITLE 3 OF THIS ARTICLE
23 WHO, ON BEHALF OF THE OWNER, PAYS OFF THE SECURITY INTEREST IF THE
24 OWNER AUTHORIZES THE SECURED PARTY IN WRITING TO DELIVER A COPY OF THE
25 RELEASE TO THE DEALER.

26 (c) After it receives a release and the certificate of title, the Administration shall
27 release the secured party's right on the certificate of title or issue a new certificate of title.

28 (d) (1) If, after notice to all interested parties and a hearing, the Administration
29 determines that an indebtedness does not constitute a security interest, it shall:

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1 (i) Release the indebtedness on the certificate of title; or

2 (ii) Issue a new certificate of title and deliver the certificate to the
3 owner.

4 (2) Any person aggrieved by the decision of the Administration may appeal
5 in accordance with the provisions of the Administrative Procedure Act.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 1996.