
By: **Delegates Kach and Klima**

Introduced and read first time: February 6, 1998

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicles - Consumer Leasing Contracts - Inspections**

3 FOR the purpose of establishing that a vehicle purchased by a lessee from a lessor at
4 the end of a consumer motor vehicle leasing contract is not subject to inspection
5 under the Maryland Vehicle Law before a new title and registration may be
6 issued.

7 BY repealing and reenacting, with amendments,
8 Article - Transportation
9 Section 23-106
10 Annotated Code of Maryland
11 (1992 Replacement Volume and 1997 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 23-106.

16 (a) This section does not apply to:

17 (1) Any transfer of a used vehicle to any licensed dealer or to any foreign
18 dealer;

19 (2) Any transfer between:

20 (i) Spouses;

21 (ii) A parent and child; or

22 (iii) Co-owners of the vehicle to be transferred when a co-owner's
23 name is being removed from the title;

24 (3) Any transfer of a used vehicle that is not to be both titled and
25 registered in this State;

1 (4) Any transfer of a used vehicle among any agencies of the State; [or]

2 (5) Any transfer of a used vehicle as described in § 13-503.2 of this
3 article; OR

4 (6) ANY TRANSFER OF A VEHICLE UNDER TITLE 14, SUBTITLE 20 OF THE
5 COMMERCIAL LAW ARTICLE IN WHICH A LESSEE EXERCISES THE OPTION TO
6 PURCHASE A LEASED VEHICLE FROM A LESSOR.

7 (b) (1) Except as provided in paragraph (4) of this subsection, if any licensed
8 dealer that also is an inspection station transfers any used vehicle, it shall:

9 (i) Prepare and attach an inspection certificate to a window of the
10 vehicle; or

11 (ii) Have an inspection certificate prepared and attached to a
12 window of the vehicle by another inspection station.

13 (2) Except as provided in paragraphs (4) and (5) of this subsection, if any
14 other person transfers a used vehicle, the person shall obtain an inspection certificate
15 from an inspection station. The inspection certificate shall be issued without charge
16 and attached to a window of the vehicle.

17 (3) If a used vehicle is transferred other than by voluntary transfer or is
18 transferred by a political subdivision of the State after that subdivision obtains the
19 vehicle by proceedings pursuant to Article 27, § 297 of the Code, the transferee shall
20 obtain the inspection certificate from an authorized inspection station. The inspection
21 certificate shall be issued without charge and attached to a window of the vehicle.

22 (4) In the case of a transfer of any used vehicle registered, or to be
23 registered, as a Class E (truck) exceeding three-fourths ton manufacturer's rated
24 capacity, Class F (tractor), Class G (freight trailer or semitrailer), or Class G (dump
25 service semitrailer) vehicle, the transferor or the transferee of the vehicle may obtain
26 the required inspection certificate.

27 (5) In the case of a transfer of any used vehicle registered or to be
28 registered, that is sold for dismantling or rebuilding purposes, the transferor or the
29 transferee of the vehicle may obtain the required inspection certificate.

30 (6) On applying for a certificate of title of the vehicle, the transferee shall
31 remove the inspection certificate from the vehicle and present it to the
32 Administration.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 1998.