

SENATE BILL 378

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Q5

2000 Regular Session
(01r1918)

ENROLLED BILL

-- Budget and Taxation/Commerce and Government Matters --

Introduced by **Senator Roesser**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicle Titling Tax and Inspection Certificate Requirements -**
3 **~~Transfer to an Inter Vivos Trust Exemptions~~**

4 FOR the purpose of exempting from the motor vehicle excise tax and inspection
5 certificate requirements the transfer of a vehicle titled in this State that is
6 transferred into certain written inter vivos trusts; exempting from the motor
7 vehicle excise tax and inspection certificate requirements the transfer of a
8 vehicle titled in this State that is transferred as a result of certain mergers or
9 consolidations of certain entities; allowing continued use of registration plates
10 after certain transfers of title or ownership interests; and providing for the
11 application of this Act.

12 BY repealing and reenacting, without amendments,
13 Article - Transportation
14 Section 13-503.2
15 Annotated Code of Maryland
16 (1999 Replacement Volume and 1999 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article - Transportation
3 Section 13-810(c) and 23-106
4 Annotated Code of Maryland
5 (1999 Replacement Volume and 1999 Supplement)

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

8 **Article - Transportation**

9 13-503.2.

10 If the title or interest of an owner in a vehicle is transferred as a result of a
11 reorganization such that the vehicle is exempt from the excise tax under the
12 provisions of § 13-810(c)(8) of this title, the transferee may continue to use the same
13 registration plates after the transfer. In all other respects the transfer shall be
14 treated the same way as any other transfer by a private owner of a registered vehicle.
15 13-810.

16 (c) On transfer of a vehicle titled in this State and issuance of a subsequent
17 certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it
18 is:

19 (1) A vehicle transferred to a spouse, son, daughter, grandchild, parent,
20 sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or
21 daughter-in-law of the transferor, and no money or other valuable consideration is
22 involved in the transfer;

23 (2) A vehicle repossessed under a security agreement, unless the sale of
24 the vehicle is required under the agreement;

25 (3) A vehicle transferred from an individual to a partnership, limited
26 liability company, or corporation or from a partnership, limited liability company, or
27 corporation to a subpartnership, subsidiary limited liability company, or subsidiary
28 corporation, if the individual, partnership, limited liability company, or corporation is
29 a partner, member, or principal stockholder of the newly formed partnership,
30 subpartnership, limited liability company, subsidiary limited liability company,
31 corporation, or subsidiary corporation, as the case may be;

32 (4) A vehicle transferred to a legal heir, legatee, or distributee;

33 (5) A vehicle involuntarily transferred as a result of divorce or separation
34 proceedings;

35 (6) A vehicle that is jointly owned and transferred to the name of one of
36 the owners, if the transferee can establish to the satisfaction of the Administration

1 that the transferor did not pay any part of the original purchase price of the vehicle or
2 any applicable taxes or fees for the vehicle;

3 (7) A vehicle transferred by a corporation to its stockholder or
4 stockholders or by a limited liability company to its member or members as a
5 liquidating distribution of tangible personal property where the vehicle or vehicles
6 transferred are not a principal or substantial asset of the corporation or limited
7 liability company as determined by the Administration;

8 (8) A vehicle transferred as a result of a reorganization within the
9 meaning of § 368(a) of the Internal Revenue Code OR A VEHICLE TRANSFERRED AS A
10 RESULT OF A TAX-EXEMPT STATUTORY MERGER OR CONSOLIDATION OF A
11 CORPORATION AND A LIMITED LIABILITY COMPANY IF NO GAIN OR LOSS IS
12 RECOGNIZED AS A RESULT OF THE TRANSACTION UNDER § 332 AND § 721 OF THE
13 INTERNAL REVENUE CODE; [or]

14 (9) A vehicle transferred to a Family Investment Program recipient or an
15 individual certified by the Department of Human Resources or a local department of
16 social services as eligible for transfer of the vehicle that was exempted from the excise
17 tax imposed by this part under subsection (a)(24) of this section; OR

18 (10) A VEHICLE TRANSFERRED INTO A WRITTEN INTER VIVOS TRUST IN
19 WHICH THE TRANSFEROR IS THE PRIMARY BENEFICIARY.

20 23-106.

21 (a) This section does not apply to:

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

24 (2) Any transfer between:

25 (i) Spouses;

26 (ii) A parent and child; or

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

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

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

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

34 (6) ANY TRANSFER OF A USED VEHICLE INTO A WRITTEN INTER VIVOS
35 TRUST IN WHICH THE TRANSFEROR IS THE PRIMARY BENEFICIARY.

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

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

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

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

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

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

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

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2000 and shall be applicable to any vehicle transferred on or after July 1,
29 2000.