
By: **Delegates Hixson, Franchot, and Hurson**
Introduced and read first time: January 18, 2002
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Transfers of Used Vehicles at Out-of-State Auctions -**
3 **Licensed Dealer Responsibilities**

4 FOR the purpose of providing that a licensed dealer who transfers a used vehicle at
5 an auction outside the State is not required to obtain from the transferee a
6 completed application and collect all taxes and fees required for titling the
7 vehicle in Maryland; providing that certain requirements for the preparation of
8 an inspection certificate on transfer of a used vehicle do not apply to any
9 transfer of a used vehicle by a licensed dealer at an auction outside of the State;
10 and generally relating to exceptions for licensed dealers transferring used
11 vehicles at auction outside of the State.

12 BY repealing and reenacting, with amendments,
13 Article - Transportation
14 Section 13-113 and 23-106
15 Annotated Code of Maryland
16 (1999 Replacement Volume and 2001 Supplement)

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

19 **Article - Transportation**

20 13-113.

21 (a) If the transferee of a vehicle is a licensed dealer who holds the vehicle for
22 sale, the dealer shall within 20 days of the date of the transfer to the dealer of the
23 vehicle, obtain the certificate of title of the vehicle, which shall contain an assignment
24 and warranty of title executed by the former owner.

25 (b) If the transferee of a vehicle is a licensed dealer who holds the vehicle for
26 sale, the dealer shall retain the certificate of title in his possession until the further
27 sale or transfer of ownership of the vehicle.

1 (c) During business hours, the licensed dealer shall allow any representative
2 of the Administration and any police officer full access to all certificates of title of
3 vehicles held by him for sale.

4 (d) (1) Except as provided in paragraph (2) of this subsection, if a licensed
5 dealer holds a vehicle for sale and transfers the vehicle to another licensed dealer who
6 holds the vehicle for sale, the transferring dealer, without applying for a new
7 certificate of title, shall:

8 (i) Execute an assignment of title to the transferee dealer in the
9 manner and on the form that the Administration requires; and

10 (ii) Include in the assignment a statement certifying each security
11 interest, lien, or other encumbrance on the vehicle.

12 (2) If the certificate of title held by the transferring dealer does not
13 contain an open dealer reassignment section, the transferring dealer shall apply to
14 the Administration for the issuance of a certificate of title.

15 (e) (1) If a licensed dealer holds a vehicle for sale and transfers the vehicle
16 to someone other than another licensed dealer who holds the vehicle for sale, the
17 dealer shall:

18 (i) Execute an assignment and warranty of title to the transferee
19 in the manner and on the form that the Administration requires; and

20 (ii) Comply with the provisions specified in this subsection.

21 (2) [If] EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION,
22 IF the vehicle is a Class A (passenger) vehicle, Class D (motorcycle) vehicle, Class G
23 (trailer) travel trailer or camping trailer, or Class M (multipurpose) vehicle and is to
24 be registered and titled in this State, the transferring dealer shall:

25 (i) Obtain from the transferee a completed application and collect
26 all taxes and fees required for titling the vehicle; and

27 (ii) Within 30 days of the date of delivery of the vehicle, send them,
28 together with every other document required by § 13-104 of this subtitle, to the
29 Administration.

30 (3) If the vehicle is to be registered and titled in this State, but is not a
31 Class A (passenger) vehicle, Class D (motorcycle) vehicle, Class G (trailer) travel
32 trailer or camping trailer, or Class M (multipurpose) vehicle, the transferring dealer
33 shall, within 30 days of the delivery of the vehicle, either:

34 (i) Deliver the certificate of title to the transferee; or

35 (ii) Send the transferee's completed application and all taxes and
36 fees required for titling the vehicle, together with every other document required by §
37 13-104 of this subtitle, to the Administration.

1 (4) If the vehicle is not to be titled in this State and is to be registered in
2 another state, the transferring dealer shall deliver the certificate of title to the
3 transferee within 30 days of delivery of the vehicle.

4 (5) IF A LICENSED DEALER HOLDS A VEHICLE FOR SALE AT AN AUCTION
5 OUTSIDE OF THE STATE AND TRANSFERS THE VEHICLE TO A PERSON WHO INTENDS
6 TO REGISTER AND TITLE THE VEHICLE IN THIS STATE, THE TRANSFERRING DEALER
7 MAY TRANSFER THE VEHICLE WITHOUT OBTAINING FROM THE TRANSFEE A
8 COMPLETED APPLICATION AND WITHOUT COLLECTING ALL TAXES AND FEES
9 REQUIRED FOR TITLING THE VEHICLE.

10 (f) (1) Notwithstanding any other provisions to the contrary, an automotive
11 dismantler or recycler licensed under Title 15 of this article may transfer a vehicle
12 that he owns, regardless of the type of ownership document issued for the vehicle, to
13 another licensed automotive dismantler or recycler or to a licensed dealer, without
14 applying for a new certificate of title, as provided in this subsection.

15 (2) The automotive dismantler or recycler shall:

16 (i) Execute an assignment of title to the transferee automotive
17 dismantler or recycler or dealer in the manner and on the form that the
18 Administration requires; and

19 (ii) Include in the assignment a statement certifying each security
20 interest, lien, or other encumbrances on the vehicle.

21 (g) If an automotive dismantler or recycler licensed under Title 15 of this
22 article owns a vehicle declared as salvage and if a salvage certificate has been issued
23 for the vehicle under §§ 13-506 and 13-507 of this title, the automotive dismantler or
24 recycler may transfer the vehicle to any person, without applying for a new certificate
25 of title, by executing an assignment of ownership on the salvage certificate or on the
26 form that the Administration otherwise requires.

27 23-106.

28 (a) This section does not apply to:

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

31 (2) Any transfer between:

32 (i) Spouses;

33 (ii) A parent and child; or

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

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

3 (4) Any transfer of a used vehicle among any agencies of the State;

4 (5) Any transfer of a used vehicle as described in § 13-503.2 of this
5 article; [or]

6 (6) Any transfer of a used vehicle into a written inter vivos trust in which
7 the transferor is the primary beneficiary; OR

8 (7) ANY TRANSFER OF A USED VEHICLE BY A LICENSED DEALER AT AN
9 AUCTION OUTSIDE OF THE STATE.

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

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

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

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

20 (3) If a used vehicle is transferred other than by voluntary transfer or is
21 transferred by a political subdivision of the State after that subdivision obtains the
22 vehicle by proceedings pursuant to Title 12 of the Criminal Procedure Article, the
23 transferee shall obtain the inspection certificate from an authorized inspection
24 station. The inspection certificate shall be issued without charge and attached to a
25 window of the vehicle.

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

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

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2002.