
By: **Senators Jacobs, Colburn, Ferguson, Hafer, Harris, Hooper, Mooney,
Roesser, Sfikas, and Stone**

Introduced and read first time: January 25, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Excise Tax - Definitions**

3 FOR the purpose of altering a definition under the motor vehicle excise tax to reduce
4 the total purchase price on which the tax is calculated by an allowance for
5 certain trade-in consideration; providing that the definition modified by this Act
6 does not apply to the calculation of the vehicle excise tax until certain bonds are
7 no longer outstanding and unpaid; repealing a certain termination provision of a
8 certain Act; repealing certain provisions relating to an allowance for certain
9 trade-in consideration for motor homes and travel trailers; and generally
10 relating to the motor vehicle excise tax.

11 BY repealing and reenacting, with amendments,
12 Article - Transportation
13 Section 13-809(a)
14 Annotated Code of Maryland
15 (1999 Replacement Volume and 2001 Supplement)

16 BY repealing and reenacting, with amendments,
17 Chapter 362 of the Acts of the General Assembly of 2001
18 Section 5

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

21 **Article - Transportation**

22 13-809.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) "Fair market value" means:

1 (i) [Except as provided in item (iv) of this paragraph, as] AS to the
2 sale of any new or used vehicle by a licensed dealer, the total purchase price, as
3 certified by the dealer;

4 (ii) As to a used vehicle that is sold by any person other than a
5 licensed dealer and that has a designated model year that is 7 years old or older, the
6 greater of:

7 1. The total purchase price; or

8 2. \$640;

9 (iii) As to any other used vehicle that is sold by any person other
10 than a licensed dealer:

11 1. The total purchase price, if the total purchase price is less
12 than \$500 below the retail value of the vehicle as shown in a national publication of
13 used car values adopted for use by the Department; or

14 2. If the total purchase price is \$500 or more below the retail
15 value of the vehicle as shown in a national publication of used car values adopted for
16 use by the Department:

17 A. The total purchase price, if verified to the satisfaction of
18 the Administration by a notarized bill of sale submitted in accordance with subsection
19 (d)(2) of this section; or

20 B. The valuation shown in the national publication of used
21 car values, if the Administration finds that the documentation submitted under
22 subsection (d)(2) of this section fails to verify the total purchase price; AND

23 (iv) [As to the sale of any new or used motor home or travel trailer
24 by a licensed dealer, or a dealer licensed by another state or a foreign country, the
25 total purchase price, as defined in paragraph (4)(ii) of this subsection, as certified by
26 the dealer on a form acceptable to the Administration; and

27 (v)] In any other case, the valuation shown in a national publication
28 of used car values adopted for use by the Department.

29 (3) ["Motor home" has the meaning stated in § 11-134.3 of this article.

30 (4) "Total purchase price" [means:

31 (i) Except as provided in item (ii) of this paragraph,] MEANS the
32 price of a vehicle agreed on by the buyer and the seller, [with no] LESS AN allowance
33 for trade-in [or] BUT WITH NO ALLOWANCE FOR other nonmonetary
34 CONSIDERATION. [consideration; and

35 (ii) In the case of a motor home or travel trailer, the price of the
36 motor home or travel trailer agreed on by the buyer and the seller less the value, not

1 to exceed the value shown in a national publication of used motor home and travel
2 trailer values adopted for use by the Department, of any motor home or travel trailer
3 that is traded in as part of the consideration of the sale.

4 (5) "Travel trailer" has the meaning stated in § 11-170 of this article.]

5

Chapter 362 of the Acts of 2001

6 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2001. [Sections 1 and 3 of this Act shall remain effective for a period of 3 years
8 and, at the end of June 30, 2004, with no further action required by the General
9 Assembly, Sections 1 and 3 of this Act shall be abrogated and of no further force and
10 effect.]

11 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the
12 provisions of Section 1 of this Act, the modified definition of "total purchase price" for
13 the purposes of the calculation of the motor vehicle excise tax imposed on a vehicle
14 under § 13-809(a) of the Transportation Article as enacted under Section 1 of this Act
15 does not apply until any Consolidated Transportation Bonds that were issued by the
16 Department of Transportation before July 1, 2002 no longer remain outstanding and
17 unpaid; provided, however, that in any fiscal year for which funds are appropriated by
18 the General Assembly to pay the principal of and interest on the Department of
19 Transportation's Consolidated Transportation Bonds due and payable in that fiscal
20 year, the Motor Vehicle Administration shall collect the reduced motor vehicle excise
21 tax imposed on a vehicle by utilizing the modified definition as enacted under Section
22 1 of this Act.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2002.