

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 214 (Delegate Hixson, *et al.*)
Commerce and Government Matters

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

This bill provides that a licensed dealer who transfers a used vehicle at an auction outside the State does not need to obtain a completed application and collect all required State titling taxes and fees from the purchaser if the purchaser intends to register and title the vehicle in Maryland. The bill also provides that a licensed dealer who transfers a used vehicle to a person at an auction outside the State would not have to prepare an inspection certificate for that vehicle.

Fiscal Summary

State Effect: None. The bill would not affect State procedures or finances.

Local Effect: None.

Small Business Effect: Minimal. Licensed vehicle dealers that are small businesses would benefit from the administrative procedural changes proposed by the bill.

Analysis

Current Law: If a licensed dealer is transferring a Class A (passenger), Class D (motorcycle), Class G (trailer, travel trailer, or camping trailer), or Class M (multipurpose) vehicle that is to be registered and titled in this State, the dealer must: obtain a completed application, collect all taxes and fees required for titling the vehicle from the transferee, and send, within 30 days of the date of delivery of the vehicle, taxes, fees, and required documents to the MVA. No exception exists for transfers at out-of-state auctions.

If any licensed dealer that also is an inspection station transfers any used vehicle, the dealer must prepare and attach an inspection certificate to a window of the vehicle or have the certificate prepared and attached by another inspection station. If any other person transfers a used vehicle, the person must obtain an inspection certificate from an inspection station.

However, if the vehicle is Class E (truck exceeding three-fourths ton capacity), Class F (tractor), and Class G (freight trailer or semitrailer or dump service semitrailer) or the vehicle is to be sold for dismantling or rebuilding, the transferor or the transferee can obtain the required certificate.

Some transfers of used vehicles do not require an inspection certificate, such as:

- any transfer of a used vehicle to any licensed dealer or to any foreign dealer;
- any transfer between: spouses, parent and child, or co-owners of the vehicle to be transferred when a co-owner's name is being removed from the title; or
- any transfer of a used vehicle that is not to be titled and registered in the State.

Dealers who fail to comply with the titling or inspection certificate requirement could face administrative sanctions, including license suspension or revocation. Dealers who violate the requirement for titling tax and fee delivery could also face deficiency assessments.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Transportation (Motor Vehicle Administration),
Department of Legislative Services

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