

BY: Judicial Proceedings Committee

AMENDMENTS TO HOUSE BILL NO. 454

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “and Freight”; in line 10, strike “altering a certain definition;”; in line 11, strike “requiring certain disclosure of a freight charge for a vehicle sale;”; in line 13, after “vehicle;” insert “altering certain definitions; including a dealer processing charge in the definition of a motor vehicle’s total purchase price for purposes of imposing a vehicle excise tax;”; in the same line, strike “and freight”; and after line 19, insert:

“BY repealing and reenacting, with amendments,

Article - Transportation

Section 13-809(a)

Annotated Code of Maryland

(2002 Replacement Volume)

BY repealing and reenacting, without amendments,

Article - Transportation

Section 13-809(c)

Annotated Code of Maryland

(2002 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - Transportation

Section 13-809(a)

Annotated Code of Maryland

(2002 Replacement Volume)

(As enacted by Chapters 361 and 362 of the Acts of the General Assembly of 2001)”.

AMENDMENT NO. 2

(Over)

On page 2, in line 19, strike “\$100” and substitute “\$75”; in line 25, strike “OR FREIGHT CHARGE”; and strike in its entirety line 30.

On page 3, in line 1, strike “ANY” and substitute “the”; in line 2, strike “AND FREIGHT CHARGE”; in line 3, strike “CLEARLY AND CONSPICUOUSLY”; in line 4, strike “AND FREIGHT CHARGE”; strike beginning with “WITHIN” in line 5 down through “PRICE” in line 6 and substitute “ON THE ADVERTISEMENT”; in lines 7, 9, and 11, strike “(1)”, “(2)”, and “(3)”, respectively; in line 11, strike the colon and substitute “any”; in line 12, strike “(I) ANY”; and strike beginning with “; AND” in line 14 down through “THE” in line 18 and substitute “. The”.

AMENDMENT NO. 3

On page 3, after line 19, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Transportation

13-809.

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

(2) “Fair market value” means:

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

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

1. The total purchase price; or

2. \$640;

(iii) As to any other used vehicle that is sold by any person other than a

licensed dealer:

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

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

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

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

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

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

(3) “Motor home” has the meaning stated in § 11-134.3 of this article.

(4) “Total purchase price” means:

(i) Except as provided in item (ii) of this paragraph, the price of a vehicle agreed on by the buyer and the seller, INCLUDING ANY DEALER PROCESSING CHARGE, with no allowance for trade-in or other nonmonetary consideration; and

(Over)

(ii) In the case of a motor home or travel trailer, the price of the motor home or travel trailer agreed on by the buyer and the seller less the value, not to exceed the value shown in a national publication of used motor home and travel trailer values adopted for use by the Department, of any motor home or travel trailer that is traded in as part of the consideration of the sale.

(5) “Travel trailer” has the meaning stated in § 11-170 of this article.

(c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed by this section is 5 percent of the fair market value of the vehicle.

(2) If the vehicle formerly was a vehicle exempt from the tax imposed by this section, the tax shall be reduced by any amount previously paid by the present owner as a sales and use tax on the vehicle under Title 11 of the Tax - General Article.

(3) (i) If the vehicle was formerly titled and registered in another state and the present owner has not been a Maryland resident for more than 60 days and has paid a sales or excise tax to that state at a rate less than that imposed by this State, then the tax imposed shall apply but at a rate measured by the difference only between the tax rate paid to the other state and the tax rate imposed by this section.

(ii) If the vehicle was formerly titled and registered in another state and the present owner requests to transfer the vehicle in accordance with § 13-810(c)(1) of this subtitle, the Administration shall change or correct the names contained in the certificate of title:

1. At the time the excise tax that is credited or imposed under this section is paid and a new title is issued; and

2. Without issuing multiple certificates of title or charging additional fees.

(iii) Except as provided in subsection (b)(2) of this section, the minimum tax imposed under this section shall be \$100.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as

follows:

Article - Transportation

13-809.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Fair market value” means:
- (i) As to the sale of any new or used vehicle by a licensed dealer, the total purchase price, as certified by the dealer;
- (ii) As to a used vehicle that is sold by any person other than a licensed dealer and that has a designated model year that is 7 years old or older, the greater of:
1. The total purchase price; or
2. \$640;
- (iii) As to any other used vehicle that is sold by any person other than a licensed dealer:
1. The total purchase price, if the total purchase price is less than \$500 below the retail value of the vehicle as shown in a national publication of used car values adopted for use by the Department; or
2. If the total purchase price is \$500 or more below the retail value of the vehicle as shown in a national publication of used car values adopted for use by the Department:
- A. The total purchase price, if verified to the satisfaction of the Administration by a notarized bill of sale submitted in accordance with subsection (d)(2) of this section; or

(Over)

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

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

(3) “Total purchase price” means the price of a vehicle agreed on by the buyer and the seller, INCLUDING ANY DEALER PROCESSING CHARGE, with no allowance for trade-in or other nonmonetary consideration.”.

On page 3, before line 20, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect on the taking effect of the termination provision specified in Section 5 of Chapters 361 and 362 of the Acts of the General Assembly of 2001. If that termination provision takes effect, Section 2 of this Act shall be abrogated and of no further force and effect. This Act may not be interpreted to have any effect on that termination provision.”;

in line 20, strike “2.” and substitute “5.”; and in the same line, after “That” insert “, subject to the provisions of Section 4 of this Act,”.