

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 599

(Senator Stone)

Judicial Proceedings

Environmental Matters

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**Automotive-Related Industries - Regulation - Repeal of Sunset Provision**

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This bill repeals the September 30, 2003 sunset date of Chapter 505 of 2000, which requires automotive repair facilities and vehicle storage facilities to keep certain records and prescribes penalties for violators.

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**Fiscal Summary**

**State Effect:** None. General fund revenue increases associated with the penalty provisions would continue at the same rate, as would general fund and Transportation Trust Fund expenditures associated with enforcement. These expenditures are not significant.

**Local Effect:** Minimal or none. Enforcement efforts would continue.

**Small Business Effect:** Potential minimal. The majority of businesses affected by the bill would be small businesses, such as body shops, and would be required to continue adhering to the recordkeeping requirements of the law. However, businesses would only face penalties if they do not comply with the law.

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**Analysis**

**Current Law:** Chapter 505 of 2000, which is slated to sunset on September 30, 2003, requires a person who operates an automotive repair facility (including body shops) to keep accurate records at that facility and specifies what those records should contain, such as: (1) the name and address of every customer; (2) the year, model, and when repairs involve a used major component part, the vehicle identification number of each

vehicle; and (3) proof of ownership or right of possession of the component part. A used major component part does not include a remanufactured part that has not been installed on a motor vehicle since remanufacture, a core element that is held solely for the purpose of being returned for remanufacture, or a part that is unsuitable for reuse in or on a motor vehicle.

The law also requires a person who operates a vehicle storage facility to keep certain records. Records kept by repair and storage facilities must be retained for at least one year and be available for inspection during normal business hours by the Motor Vehicle Administration (MVA), the Maryland Department of State Police (MSP), or a local law enforcement officer who is assigned to a local antitheft unit. Violators of this provision are subject to a civil penalty not exceeding \$500 for a first offense and \$1,000 for a second or subsequent offense.

Chapter 505 expanded the authority of the MVA to issue citations to include activity related to the maintenance of and access to required business records and unlicensed business activity and gives the District Court exclusive original jurisdiction in the civil penalty proceedings. It also authorized the MSP or the local law enforcement officer who is assigned to a local antitheft unit to inspect motor vehicle auctioneer records and prescribed identical civil penalties for violations.

The MVA is authorized to sue for injunctive relief against a person who is engaged in continuing conduct that violates licensing provisions and that may result in substantial harm to another person. The MVA does not have to post bond or show that no adequate remedy at law exists.

Finally, Chapter 505 modified the maximum penalties applicable to an unlicensed automotive dismantler and recycler or scrap processor. The penalty was reduced from a maximum of one year imprisonment for the first offense to six months and from two years imprisonment for a second or subsequent offense to one year. The maximum fine for subsequent offenses, however, increased from \$1,000 to \$2,000.

**Background:** In 1999, the 22-member Task Force to Study the Comprehensive Licensing of Automotive-Related Industries studied the scope of unlicensed activity in automotive-related industries and the feasibility of and standards for the licensing of currently unlicensed businesses. The regulatory authority over these businesses that was granted under Chapter 505 reflects the recommendations of the task force.

**State Revenues:** Information regarding the revenues that have been generated by Chapter 505 is not readily available.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 2003  
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