

SENATE BILL 521

R4

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CF 9lr2510

By: **Senator Forehand**

Introduced and read first time: February 5, 2009

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Off-Highway Recreational Vehicles – Titling**

3 FOR the purpose of defining “off-highway recreational vehicle”; altering the definition
4 of “vehicle” to include off-highway recreational vehicles; requiring the owner of
5 an off-highway recreational vehicle not purchased before a certain date to apply
6 for a certificate of title in certain circumstances; requiring an application for a
7 certificate of title for an off-highway recreational vehicle to be made by a
8 certain electronic transmission; altering certain requirements relating to the
9 electronic transmission of vehicle data to authorize transmission by a service
10 provider instead of a licensed dealer; providing that, for purposes of determining
11 a certain excise tax, the fair market value of a used off-highway recreational
12 vehicle is the greater of the total purchase price or a certain amount; imposing
13 an excise tax for each original and each subsequent certificate of title issued for
14 an off-highway recreational vehicle for which sales and use tax is not collected
15 at the time of purchase; providing that an off-highway recreational vehicle is
16 not required to be inspected when ownership is transferred; providing for the
17 construction of this Act; and generally relating to off-highway recreational
18 vehicles and titling.

19 BY adding to

20 Article – Transportation
21 Section 11-140.1 and 13-102(13)
22 Annotated Code of Maryland
23 (2006 Replacement Volume and 2008 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Transportation
26 Section 11-176, 13-102(11) and (12), 13-104(a), 13-108.1, 13-809, and 23-106
27 Annotated Code of Maryland
28 (2006 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Transportation
3 Section 13–101.1 and 13–610
4 Annotated Code of Maryland
5 (2006 Replacement Volume and 2008 Supplement)

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

8 **Article – Transportation**

9 **11–140.1.**

10 (A) **“OFF–HIGHWAY RECREATIONAL VEHICLE” MEANS A VEHICLE THAT**
11 **IS:**

12 (1) **A MOTOR–ASSISTED OR MOTOR–DRIVEN VEHICLE THAT:**

13 (I) **IS DESIGNED TO CARRY ONLY THE OPERATOR OF THE**
14 **VEHICLE ON A SEAT OR SADDLE DESIGNED TO BE STRADDLED BY THE**
15 **OPERATOR OR IS DESIGNED TO CARRY ONLY THE OPERATOR OF THE VEHICLE**
16 **AND ONE PASSENGER; AND**

17 (II) **IS COMMONLY KNOWN AS AN ALL–TERRAIN VEHICLE;**

18 (2) **A MOTORCYCLE THAT IS DESIGNED FOR OFF–HIGHWAY**
19 **OPERATION AND IS NOT ELIGIBLE FOR REGISTRATION AS A CLASS D**
20 **(MOTORCYCLE) VEHICLE UNDER THIS ARTICLE, COMMONLY KNOWN AS A DIRT**
21 **BIKE; OR**

22 (3) **A SNOWMOBILE.**

23 (B) **“OFF–HIGHWAY RECREATIONAL VEHICLE” DOES NOT INCLUDE:**

24 (1) **A FARM VEHICLE AS DEFINED IN § 13–911 OF THIS ARTICLE**
25 **WHEN USED EXCLUSIVELY ON FARM PROPERTY BY A FARMER; OR**

26 (2) **ANY VEHICLE WHEN USED ON RESIDENTIAL PROPERTY FOR**
27 **THE PURPOSE OF LANDSCAPING, GARDENING, OR LAWN CARE.**

28 (C) **THE ADMINISTRATION MAY ESTABLISH BY REGULATION OTHER**
29 **REQUIREMENTS FOR OR LIMITATIONS ON THE DEFINITION OF “OFF–HIGHWAY**
30 **RECREATIONAL VEHICLE”.**

31 11–176.

1 (a) (1) "Vehicle" means, except as provided in subsection (b) of this
2 section, any device in, on, or by which any individual or property is or might be
3 transported or towed on a highway.

4 (2) "Vehicle" includes a low speed vehicle **AND AN OFF-HIGHWAY**
5 **RECREATIONAL VEHICLE.**

6 (b) "Vehicle" does not include an electric personal assistive mobility device as
7 defined in § 21-101(j) of this article.

8 13-101.1.

9 Except as provided in § 13-102 of this subtitle, the owner of each vehicle that is
10 in this State and for which the Administration has not issued a certificate of title shall
11 apply to the Administration for a certificate of title of the vehicle.

12 13-102.

13 A certificate of title is not required for:

14 (11) A self-propelled invalid:

15 (i) Wheelchair; or

16 (ii) Tricycle; [or]

17 (12) A trailer, other than a camping trailer, rated by the manufacturer
18 as having a gross vehicle weight of 2,500 pounds or less; **OR**

19 **(13) AN OFF-HIGHWAY RECREATIONAL VEHICLE PURCHASED**
20 **BEFORE OCTOBER 1, 2009.**

21 13-104.

22 (a) (1) The application for a certificate of title of a vehicle shall be made
23 by the owner of the vehicle on the form that the Administration requires.

24 **(2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE,**
25 **AN APPLICATION FOR A CERTIFICATE OF TITLE OF AN OFF-HIGHWAY**
26 **RECREATIONAL VEHICLE SHALL BE MADE BY ELECTRONIC TRANSMISSION**
27 **UNDER § 13-610 OF THIS TITLE.**

28 13-108.1.

1 (a) Notwithstanding any other provision of this title, the Administration may
2 develop and implement an electronic system for the issuance of certificates of title and
3 the recording and releasing of security interests.

4 (b) The electronic system may provide for:

5 (1) Recording titling and registration data without the issuance of a
6 certificate of title; and

7 (2) Recording and releasing liens without the issuance of a security
8 interest filing.

9 (c) The electronic system may provide for the electronic transmission of
10 vehicle data to and from [licensed dealers] **SERVICE PROVIDERS, AS DEFINED IN §**
11 **13-610 OF THIS TITLE.**

12 (d) The Administration shall adopt regulations to govern the electronic
13 transmission of titling and registration information authorized under this section.

14 13-610.

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

16 (2) "Fleet" means 10 or more vehicles.

17 (3) "Qualified owner" means a person, partnership, firm, or
18 corporation, or an individual agent of a person, partnership, firm, or corporation,
19 authorized by the Administration to transmit electronically proper titling and
20 registration information and fees to the Administration.

21 (4) "Service provider" means a dealer or title service agent licensed
22 under Title 15 of this article or a qualified owner of a fleet.

23 (b) Subject to the approval of the Administration, a service provider may:

24 (1) Issue permanent registration plates to the transferee or renew the
25 registration of a vehicle if the service provider has electronically transmitted the
26 proper titling and registration information to the Administration, or an agent
27 designated by the Administration; and

28 (2) Charge the transferee or the registered owner of the vehicle a fee
29 for the actual cost to the service provider of the electronic transmission service
30 described in item (1) of this subsection.

31 (c) The Administration shall adopt regulations to:

1 (1) Govern the electronic transmission of titling and registration
2 information authorized under this section; and

3 (2) Determine the appropriate level of the fee that may be charged by
4 service providers for the electronic transmission service.

5 13–809.

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

7 (2) “Fair market value” means:

8 (i) As to the sale of any new or used vehicle by a licensed
9 dealer, the total purchase price, as certified by the dealer;

10 (ii) Except as provided in item (iv) of this paragraph, as to a
11 used vehicle that is sold by any person other than a licensed dealer and that has a
12 designated model year that is 7 years old or older, the greater of:

13 1. The total purchase price; or

14 2. \$640;

15 (iii) Except as provided in item (iv) of this paragraph, as to any
16 other used vehicle that is sold by any person other than a licensed dealer:

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

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

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

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

29 (iv) As to a used trailer **OR OFF-HIGHWAY RECREATIONAL**
30 **VEHICLE** that is sold by any person other than a licensed dealer, the greater of:

31 1. The total purchase price; or

1 2. \$320; and

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

4 (3) (i) Subject to subparagraph (ii) of this paragraph, “total
5 purchase price” means the price of a vehicle agreed on by the buyer and the seller,
6 including any dealer processing charge, less an allowance for trade-in but with no
7 allowance for other nonmonetary consideration.

8 (ii) As to a person trading in a nonleased vehicle to enter into a
9 lease for a period of more than 180 consecutive days, “total purchase price” means the
10 retail value of the vehicle as certified by the dealer, including any dealer processing
11 charge, less an allowance for the trade-in of the nonleased vehicle but with no
12 allowance for other nonmonetary consideration.

13 (4) “Trailer” has the meaning stated in § 11–169 of this article.

14 (b) (1) Except as otherwise provided in this part, in addition to any other
15 charge required by the Maryland Vehicle Law, an excise tax is imposed:

16 (i) For each original and each subsequent certificate of title
17 issued in this State for a motor vehicle, **A trailer, [or] A semitrailer, OR AN**
18 **OFF-HIGHWAY RECREATIONAL VEHICLE FOR WHICH SALES AND USE TAX IS NOT**
19 **COLLECTED AT THE TIME OF PURCHASE;** and

20 (ii) Except as provided in paragraph (2) of this subsection, for
21 each motor vehicle, trailer, or semitrailer that is in interstate operation and registered
22 under § 13–109(c) or (d) of this title without a certificate of title.

23 (2) (i) An excise tax of \$50 is imposed for the registration of a
24 trailer exempt from the titling requirement under § 13–102(12) of this title.

25 (ii) In a case where the fair market value as defined in
26 subsection (a)(2)(iii)2A of this section applies, the excise tax imposed under this part
27 may not be less than \$32.

28 (3) A political subdivision of the State may not impose a sales tax, a
29 use tax, or excise tax on the issuance of a motor vehicle certificate of title.

30 (c) (1) Except as provided in subsection (b)(2) of this section, the tax
31 imposed by this section is 6 percent of the fair market value of the vehicle.

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

1 (3) (i) 1. In this subparagraph, “military” includes the
2 Commissioned Corps of the Public Health Service, the National Oceanic and
3 Atmospheric Administration, or the Coast and Geodetic Survey.

4 2. If the vehicle was formerly titled and registered in
5 another state and the present owner has paid a sales or excise tax to that state at a
6 rate less than that imposed by this State, then the tax imposed shall apply but at a
7 rate measured by the difference only between the tax rate paid to the other state and
8 the tax rate imposed by this section, if the present owner:

9 A. Has not been a Maryland resident for more than 60
10 days;

11 B. Is a member of the military on active duty and has not
12 been a Maryland resident for more than 1 year; or

13 C. Is a Maryland resident who is a member of the
14 military returning to Maryland from, or on, active duty and who applies for titling and
15 registration in Maryland no more than 1 year after returning.

16 (ii) If the vehicle was formerly titled and registered in another
17 state and the present owner requests to transfer the vehicle in accordance with
18 § 13–810(c)(1) of this subtitle, the Administration shall change or correct the names
19 contained in the certificate of title:

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

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

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

26 (d) Each applicant for a certificate of title or for registration under
27 § 13–109(c) of this title shall submit to the Administration:

28 (1) The information that the Administration considers necessary as to:

29 (i) The time of purchase of the vehicle; and

30 (ii) The purchase price and other information relating to the
31 determination of the fair market value of the vehicle which may include, but is not
32 limited to:

33 1. Canceled checks;

34 2. Money order receipts;

1 3. Loan documents; or

2 4. A written description of the vehicle's condition; and

3 (2) If the excise tax is based on the total purchase price of the vehicle
4 as provided in subsection (a)(2)(iii)2A of this section, a notarized bill of sale that:

5 (i) Is designed by, and obtained from, the Administration;

6 (ii) Is signed by the buyer and the seller; and

7 (iii) Includes a statement explaining why the vehicle was sold at
8 the price stated in the bill of sale.

9 (e) Any person who fails to pay the excise tax as required in this section is
10 guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

11 (f) The Administration shall adopt regulations to implement the provisions
12 of this section.

13 23–106.

14 (a) This section does not apply to:

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

17 (2) Any transfer between:

18 (i) Spouses;

19 (ii) A parent and child; or

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

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

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

25 (5) Any transfer of a used vehicle as described in § 13–503.2 of this
26 article;

27 (6) Any transfer of a used vehicle into a written inter vivos trust in
28 which the transferor is the primary beneficiary; [or]

1 (7) Any transfer of a used island vehicle, as defined in § 13-935 of this
2 article, registered, or to be registered, as a Class K (farm area/island) vehicle; **OR**

3 (8) **ANY TRANSFER OF AN OFF-HIGHWAY RECREATIONAL**
4 **VEHICLE.**

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

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

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

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

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

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

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

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be
33 construed to supersede the provisions of any law of any county or political subdivision
34 of the State not relating to the titling of off-highway recreational vehicles as defined
35 in this Act.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2009.