

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 629 (Delegate Holmes)
Environmental Matters

Transportation - Used Vehicle Sales - Notice of Defects and Responsibility for Repairs

This bill requires a dealer to include in the contract for the sale of a used vehicle a statement of all defects identified during the inspection undertaken prior to the transfer of the used vehicle. If a dealer fails to list all defects discovered during the safety inspection in the sales contract, the dealer is responsible for the cost of repairs to the used vehicle that (1) are not customarily performed at regularly scheduled intervals; and (2) are made within one year from the date of sale.

Fiscal Summary

State Effect: The bill's changes can be handled with existing resources.

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: Under the bill, repairs that are customarily performed at regular intervals include oil changes, tire replacement or repair, and brake replacement. Repairs not performed at regular intervals include replacement of a vehicle's transmission and replacement of a vehicle's engine.

Current Law: A contract for the sale of a new or used vehicle by a dealer must contain a clear statement of the principal amount charged for the vehicle; any interest charged; titling, registration, and dealer processing fees; and any other charge made in connection with the sale of the vehicle.

Additionally, a contract for the sale of a new vehicle must include the base price of the vehicle, the manufacturer's code or stock number, and a clear and specific description of each extra item and each extra charge not included in the base price of the vehicle ordered by the buyer. When a vehicle arrives for delivery, the dealer must advise the buyer of any extra items ordered that are not on the vehicle, and the cost of the excluded items. Alternatively, the dealer must advise the buyer of any extra items on the vehicle that the buyer did not order and the cost of those items.

Background: The Motor Vehicle Administration (MVA) advises there were 617,885 used vehicles sold in the State in calendar 2008, an approximately 9.0% decline from calendar 2007. Under State law, most used vehicles must undergo a safety inspection prior to the vehicle's sale or transfer. Generally, the seller of the vehicle is required to obtain the safety inspection certificate and the purchaser submits the certificate to MVA in order to register the vehicle. A Maryland inspection certificate is not issued if a vehicle fails to meet a single safety standard.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Maryland Department of Transportation, Department of Legislative Services

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mcp/ljm

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