

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1222

(Delegate Malone)

Environmental Matters

Judicial Proceedings

Vehicle Laws - Dealers - Licensing and Temporary Registration Plates

This bill alters the Maryland Vehicle Law definition of a “dealer” by reducing, from five to three, the number of vehicles that a person sells before being considered a dealer. In addition, the bill repeals the condition that a licensed dealer must apply for five temporary registration plates for the Motor Vehicle Administration (MVA) to furnish plates to the dealer; instead, a dealer must only apply on the form that MVA requires to satisfy that condition under the bill.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill is not anticipated to materially affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law/Background: The Maryland Vehicle Law definition of a dealer is a person who is in the business of buying, selling, or exchanging vehicles, including a person who, during any 12-month period, offers to sell five or more vehicles, the ownership of which was acquired for resale purposes.

However, the definition of a dealer for MVA business licensing purposes includes a person who is in the business of buying, selling, or exchanging vehicles, including a person who, during any 12-month period, offers to sell *three* or more of these vehicles, the ownership of which was acquired for resale purposes. There is a rebuttable

presumption that a person who offers to sell three or more vehicles during any 12-month period acquired the vehicles for resale purposes.

There are dozens of references in other provisions of law to the generally applicable Maryland Vehicle Law definition of “dealer,” which includes the five or more vehicle definitional threshold.

MVA may design temporary registration plates and furnish them to any licensed dealer who applies for at least five of these plates on the form that MVA requires and submits the fee established by MVA for each plate. Chapter 21 of 2010 requires a vehicle dealer to electronically transmit vehicle, owner, insurance, and other information relevant to the issuance of temporary registration plates to MVA on the same day that the dealer issues the temporary registration plate.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 11, 2011
mlm/ljm

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