

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 1020

(Senator Manno)

Judicial Proceedings

Vehicle Laws - Death of Vehicle Owner - Certificate of Title Fee

This bill prohibits the Motor Vehicle Administration (MVA) from charging a fee for the issuance of a certificate of title for a vehicle that is being transferred after the death of the prior owner. The prohibition only applies if the vehicle is being transferred to a member of the immediate family of the deceased prior owner, to an heir who inherited the vehicle in accordance with a will, or to an owner of the vehicle if the vehicle had previously been jointly owned.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease significantly due to the collection of fewer certificate of title fees. Expenditures are not affected as MVA can likely handle the anticipated computer reprogramming work with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The owner of a vehicle in Maryland must have a certificate of title, unless the vehicle or owner is specifically exempt. The Budget Reconciliation and Financing Act of 2011 (Chapter 397) increased the fee for issuance of a certificate of title from \$50 to \$100.

The transfer of a title is exempt from the vehicle titling tax, *but not the title fee*, if it is transferred to a spouse, son, daughter, grandchild, parent, sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law and no money or other valuable consideration is involved in the transfer; also exempt from the vehicle titling tax is a transfer to a legal heir, legatee, or distributee. MVA regulations require a joint owner applying for title by right of survivorship to provide MVA with a death certificate, a completed application for certificate of title, and the title bearing the names of the decedent and the applicant or applicants.

State Revenues: Legislative Services advises that a reliable estimate of the decrease in TTF revenue under the bill cannot be made at this time due to limited information as to the number of times a vehicle is transferred under the circumstances specified in the bill. MVA advises that it does not currently track the number of times a vehicle is transferred under each such circumstance; however, data provided from the Maryland Vital Statistics Administration to MVA indicate that there are currently 6,231 vehicles titled with a deceased *co-owner*. Although not all of these 6,231 vehicles will be retitled in fiscal 2013, it is likely that a much larger number of vehicles will be transferred to an immediate family member or inherited following the death of the prior owner in fiscal 2013. Therefore, if the \$100 title fee is not charged following the transfer or retitling of each of these vehicles, the total annual TTF loss will be significant, and potentially in excess of \$1 million beginning in fiscal 2013.

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 16, 2012
ncs/ljm

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