

Chapter 344

(Senate Bill 34)

AN ACT concerning

Motor Vehicles – Leased Vehicles – Inspections, Insurance, and Excise Tax

FOR the purpose of exempting from the motor vehicle excise tax a vehicle that is leased by the State or a political subdivision of the State; prohibiting the Motor Vehicle Administration from issuing, reinstating, or renewing a vehicle registration for a motor vehicle lessee who has an unpaid insurance penalty; exempting a leased vehicle transferred to the lessee at the end of the lease term from the requirement to obtain a motor vehicle safety inspection; and generally relating to leased vehicles.

BY repealing and reenacting, with amendments,

Article – Transportation

Section 13–810(a)(3), 17–106(e)(3), and 23–106(a)(7) and (8)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Transportation

Section 17–106(e)(1) and 23–106(b)(1) and (2)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY adding to

Article – Transportation

Section 23–106(a)(9)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Transportation

13–810.

(a) On issuance in this State of an original or subsequent certificate of title for a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

(3) A vehicle owned **OR LEASED** by this State or any political subdivision of this State;

17–106.

(e) (1) (i) In addition to any other penalty provided for in the Maryland Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during its registration year, the Administration may assess the owner of the vehicle with a penalty of \$150 for each vehicle without the required security for a period of 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for each day.

(ii) Each period during which the required security for a vehicle terminates or otherwise lapses shall constitute a separate violation.

(iii) The penalty imposed under this subsection may not exceed \$2,500 for each violation in a 12-month period.

(3) If the Administration assesses a vehicle owner, [or] co-owner, **OR LESSEE** with a penalty under this subsection, the Administration may not take any of the following actions until the penalty is paid:

(i) Reinstate a registration suspended under this subsection;

(ii) Except for a temporary registration as provided under § 13-602(a)(2) of this article, issue a new registration for any vehicle that is owned, [or] co-owned, **OR LEASED** by that person and is titled after the violation date; or

(iii) Renew a registration for a vehicle that is owned, [or] co-owned, **OR LEASED** by that person.

23-106.

(a) This section does not apply to:

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

(8) Any transfer of an off-highway recreational vehicle; **OR**

(9) ANY TRANSFER OF A LEASED VEHICLE TO THE LESSEE AT THE END OF THE LEASE TERM.

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

(i) Prepare an inspection certificate; or

(ii) Have an inspection certificate prepared by another inspection station.

(2) Except as provided in paragraphs (4) and (5) of this subsection, if any other person transfers a used vehicle, the person shall obtain an inspection certificate from an inspection station.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.