

SENATE BILL 34

R4, R6

7lr0010

(PRE-FILED)

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Transportation)**

Requested: October 5, 2016

Introduced and read first time: January 11, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 8, 2017

CHAPTER _____

1 AN ACT concerning

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

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

9 BY repealing and reenacting, with amendments,
10 Article – Transportation
11 Section 13–810(a)(3), 17–106(e)(3), and 23–106(a)(7) and (8)
12 Annotated Code of Maryland
13 (2012 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Transportation
16 Section 17–106(e)(1) and 23–106(b)(1) and (2)
17 Annotated Code of Maryland
18 (2012 Replacement Volume and 2016 Supplement)

19 BY adding to
20 Article – Transportation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 23–106(a)(9)
2 Annotated Code of Maryland
3 (2012 Replacement Volume and 2016 Supplement)

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

6 **Article – Transportation**

7 13–810.

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

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

12 17–106.

13 (e) (1) (i) In addition to any other penalty provided for in the Maryland
14 Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during its
15 registration year, the Administration may assess the owner of the vehicle with a penalty of
16 \$150 for each vehicle without the required security for a period of 1 to 30 days. If a fine is
17 assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for each day.

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

20 (iii) The penalty imposed under this subsection may not exceed
21 \$2,500 for each violation in a 12–month period.

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

25 (i) Reinstate a registration suspended under this subsection;

26 (ii) Except for a temporary registration as provided under §
27 13–602(a)(2) of this article, issue a new registration for any vehicle that is owned, [or]
28 co-owned, **OR LEASED** by that person and is titled after the violation date; or

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

31 23–106.

1 (a) This section does not apply to:

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

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

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

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

9 (i) Prepare an inspection certificate; or

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.