

HOUSE BILL 1071

Q5, R4

9lr2528

By: **Delegates Crosby, Lisanti, Rogers, and P. Young**

Introduced and read first time: February 8, 2019

Assigned to: Environment and Transportation and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Vehicle Titling Fee and Vehicle Excise Tax – Active Duty**
3 **Members of the Military**

4 FOR the purpose of prohibiting the Motor Vehicle Administration from charging a fee for
5 the issuance of a new certificate of title for a vehicle that is owned by a certain
6 member of the military who is on active duty; altering the amount of the excise tax
7 imposed for the issuance of a certificate of title for a vehicle that is owned by a certain
8 member of the military who is on active duty; and generally relating to the vehicle
9 titling fee and vehicle excise tax for vehicles owned by active duty members of the
10 military.

11 BY repealing and reenacting, with amendments,
12 Article – Transportation
13 Section 13–802 and 13–809
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2018 Supplement)

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

18 **Article – Transportation**

19 13–802.

20 (a) Except as provided in subsection (b) of this section and § 13–805 of this
21 subtitle, the fee for each certificate of title issued under this title is \$100.

22 (b) (1) The fee for each certificate of title issued for a rental vehicle is \$50.

23 (2) The fee for each certificate of title issued for an off–highway
24 recreational vehicle is \$35.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The fee for each certificate of title issued for a motor scooter or a moped
2 is \$20.

3 (4) On the death of a joint owner of a vehicle, the Administration may not
4 charge a fee for a new certificate of title issued for the vehicle to another joint owner who
5 is the surviving spouse.

6 (5) (I) **IN THIS PARAGRAPH, “MILITARY” INCLUDES:**

7 **1. THE COMMISSIONED CORPS OF THE PUBLIC HEALTH**
8 **SERVICE;**

9 **2. THE COMMISSIONED CORPS OF THE NATIONAL**
10 **OCEANIC AND ATMOSPHERIC ADMINISTRATION; AND**

11 **3. THE COMMISSIONED CORPS OF THE COAST AND**
12 **GEODETIC SURVEY.**

13 (II) **THE ADMINISTRATION MAY NOT CHARGE A FEE FOR A NEW**
14 **CERTIFICATE OF TITLE ISSUED FOR A VEHICLE THAT IS OWNED BY:**

15 **1. A MEMBER OF THE MILITARY ON ACTIVE DUTY WHO**
16 **HAS NOT BEEN A MARYLAND RESIDENT FOR MORE THAN 1 YEAR; OR**

17 **2. A MARYLAND RESIDENT WHO IS A MEMBER OF THE**
18 **MILITARY RETURNING TO MARYLAND FROM, OR ON, ACTIVE DUTY AND WHO**
19 **APPLIES FOR TITLING AND REGISTRATION IN MARYLAND NOT MORE THAN 1 YEAR**
20 **AFTER RETURNING.**

21 (c) The Administration may not charge a fee for a certificate of title issued for a
22 vehicle that is transferred to a trust or from a trust to one or more beneficiaries in
23 accordance with § 14.5–1001 of the Estates and Trusts Article.

24 13–809.

25 (a) (1) In this section the following words have the meanings indicated.

26 (2) “Fair market value” means:

27 (i) As to the sale of any new or used vehicle by a licensed dealer, the
28 total purchase price, as certified by the dealer;

29 (ii) Except as provided in item (iv) of this paragraph, as to a used
30 vehicle that is sold by any person other than a licensed dealer and that has a designated

1 model year that is 7 years old or older, the greater of:

2 1. The total purchase price; or

3 2. \$640;

4 (iii) Except as provided in item (iv) of this paragraph, as to any other
5 used vehicle that is sold by any person other than a licensed dealer:

6 1. The total purchase price, if the total purchase price is less
7 than \$500 below the retail value of the vehicle as shown in a national publication of used
8 car values adopted for use by the Department; or

9 2. If the total purchase price is \$500 or more below the retail
10 value of the vehicle as shown in a national publication of used car values adopted for use
11 by the Department:

12 A. The total purchase price, if verified to the satisfaction of
13 the Administration by a notarized bill of sale submitted in accordance with subsection (d)(2)
14 of this section; or

15 B. The valuation shown in the national publication of used
16 car values, if the Administration finds that the documentation submitted under subsection
17 (d)(2) of this section fails to verify the total purchase price;

18 (iv) As to a used trailer, a motor scooter, a moped, or an off-highway
19 recreational vehicle that is sold by any person other than a licensed dealer, the greater of:

20 1. The total purchase price; or

21 2. \$320; and

22 (v) In any other case, the valuation shown in a national publication
23 of used car values adopted for use by the Department.

24 (3) (i) Subject to subparagraphs (ii) and (iii) of this paragraph, “total
25 purchase price” means the price of a vehicle agreed on by the buyer and the seller, including
26 any dealer processing charge, less an allowance for trade-in but with no allowance for other
27 nonmonetary consideration.

28 (ii) As to a person trading in a nonleased vehicle to enter into a lease
29 for a period of more than 180 consecutive days, “total purchase price” means the retail value
30 of the vehicle as certified by the dealer, including any dealer processing charge, less an
31 allowance for the trade-in of the nonleased vehicle but with no allowance for other
32 nonmonetary consideration.

33 (iii) As to a person trading in a leased vehicle to enter into another

1 lease for a period of more than 180 consecutive days with a different leasing company or to
2 purchase a vehicle, “total purchase price” means the retail value of the vehicle as certified
3 by the dealer, including any dealer processing charge, less an allowance for the trade-in of
4 the leased vehicle but with no allowance for other nonmonetary consideration.

5 (4) “Trailer” has the meaning stated in § 11-169 of this article.

6 (b) (1) Except as otherwise provided in this part, in addition to any other
7 charge required by the Maryland Vehicle Law, an excise tax is imposed:

8 (i) For each original and each subsequent certificate of title issued
9 in this State for a motor vehicle, a trailer, a semitrailer, a moped, a motor scooter, or an
10 off-highway recreational vehicle for which sales and use tax is not collected at the time of
11 purchase; and

12 (ii) Except as provided in paragraph (2) of this subsection, for each
13 motor vehicle, trailer, or semitrailer that is in interstate operation and registered under §
14 13-109(c) or (d) of this title without a certificate of title.

15 (2) (i) An excise tax of \$50 is imposed for the registration of a trailer
16 exempt from the titling requirement under § 13-102(12) of this title.

17 (ii) In a case where the fair market value as defined in subsection
18 (a)(2)(iii)2A of this section applies, the excise tax imposed under this part may not be less
19 than \$32.

20 (3) A political subdivision of the State may not impose a sales tax, a use
21 tax, or excise tax on the issuance of a motor vehicle certificate of title.

22 (c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed
23 by this section is 6 percent of the fair market value of the vehicle.

24 (2) If the vehicle formerly was a vehicle exempt from the tax imposed by
25 this section, the tax shall be reduced by any amount previously paid by the present owner
26 as a sales and use tax on the vehicle under Title 11 of the Tax – General Article.

27 (3) (i) 1. In this subparagraph, “military” includes the
28 Commissioned Corps of the Public Health Service, the National Oceanic and Atmospheric
29 Administration, or the Coast and Geodetic Survey.

30 **2. EXCEPT AS PROVIDED IN SUBSECTION (B)(2) OF THIS**
31 **SECTION, THE TAX IMPOSED BY THIS SECTION IS \$100 FOR A VEHICLE OWNED BY:**

32 **A. A MEMBER OF THE MILITARY ON ACTIVE DUTY WHO**
33 **HAS NOT BEEN A MARYLAND RESIDENT FOR MORE THAN 1 YEAR; OR**

1 **B. A MARYLAND RESIDENT WHO IS A MEMBER OF THE**
2 **MILITARY RETURNING TO MARYLAND FROM, OR ON, ACTIVE DUTY AND WHO**
3 **APPLIES FOR TITLING AND REGISTRATION IN MARYLAND NOT MORE THAN 1 YEAR**
4 **AFTER RETURNING.**

5 **[2.] (II)** If the vehicle was formerly titled and registered in
6 another state and the present owner has paid a sales or excise tax to that state at a rate
7 less than that imposed by this State, then the tax imposed shall apply but at a rate
8 measured by the difference only between the tax rate paid to the other state and the tax
9 rate imposed by this section, if the present owner[:

10 A. Has] **HAS** not been a Maryland resident for more than 60
11 days[;

12 B. Is a member of the military on active duty and has not
13 been a Maryland resident for more than 1 year; or

14 C. Is a Maryland resident who is a member of the military
15 returning to Maryland from, or on, active duty and who applies for titling and registration
16 in Maryland no more than 1 year after returning].

17 **[(ii)] (III)** If the vehicle was formerly titled and registered in another
18 state and the present owner requests to transfer the vehicle in accordance with §
19 13–810(c)(1) of this subtitle, the Administration shall change or correct the names
20 contained in the certificate of title:

21 1. At the time the excise tax that is credited or imposed
22 under this section is paid and a new title is issued; and

23 2. Without issuing multiple certificates of title or charging
24 additional fees.

25 **[(iii)] (IV)** Except as provided in subsection (b)(2) of this section, the
26 minimum tax imposed under this section shall be \$100.

27 (d) Each applicant for a certificate of title or for registration under § 13–109(c) of
28 this title shall submit to the Administration:

29 (1) The information that the Administration considers necessary as to:

30 (i) The time of purchase of the vehicle; and

31 (ii) The purchase price and other information relating to the
32 determination of the fair market value of the vehicle which may include, but is not limited
33 to:

- 1 1. Canceled checks;
- 2 2. Money order receipts;
- 3 3. Loan documents; or
- 4 4. A written description of the vehicle's condition; and

5 (2) If the excise tax is based on the total purchase price of the vehicle as
6 provided in subsection (a)(2)(iii)2A of this section, a notarized bill of sale that:

- 7 (i) Is designed by, and obtained from, the Administration;
- 8 (ii) Is signed by the buyer and the seller; and
- 9 (iii) Includes a statement explaining why the vehicle was sold at the
10 price stated in the bill of sale.

11 (e) Any person who fails to pay the excise tax as required in this section is guilty
12 of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

13 (f) The Administration shall adopt regulations to implement the provisions of
14 this section.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2019.