

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 705 (Chair, Judicial Proceedings Committee)(By Request - Departmental - Transportation)

Judicial Proceedings Environment and Transportation

Vehicle Laws – Certificate of Title – Surviving Spouse

This departmental bill prohibits the Motor Vehicle Administration (MVA) from charging a fee for the issuance of a new certificate of title to a surviving spouse when the individual is not listed as a joint owner of the vehicle. Ownership of the vehicle must be transferred in accordance with existing statutory provisions.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by approximately \$375,000 in FY 2024 and by \$500,000 in subsequent years due to reduced titling fee revenues. Expenditures are not materially affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SF Revenue	(\$375,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Expenditure	0	0	0	0	0
Net Effect	(\$375,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: The Maryland Department of Transportation has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: Generally, the fee for each certificate of title is \$100. However, the fee is lower for rental vehicles (\$50), off-highway recreational vehicle (\$35), and motor scooters

or mopeds (\$20). For a trailer with a gross vehicle weight of 3,000 pounds or less, the transfer fee is \$50 if (1) the trailer is transferred to a specified family member and (2) no money or other valuable consideration is involved in the transfer.

On the death of a joint owner of a vehicle, MVA may not charge a fee for a new certificate of title issued for the vehicle to another joint owner who is the surviving spouse. In addition, MVA may not charge a fee for a certificate of title issued for a vehicle that is transferred to a trust or from a trust to one or more beneficiaries in accordance with provisions of the Estates and Trusts Article.

If the interest of an owner in a vehicle for which a certificate of title has been issued passes to a legatee or distributee as a result of testamentary disposition or intestate devolution, an application for a new certificate of title need not be made until the expiration of the last annual registration in the name of the deceased owner. Additionally, the certificate of title need not be submitted to MVA until the application for a new certificate of title is made.

If the title is assigned properly by the personal representative of the deceased owner, a certificate of letters testamentary or of administration issued by a State court of competent jurisdiction is sufficient authority for MVA to transfer the title.

Background: MVA advises that the bill is intended to ease the financial burden on a surviving spouse when transferring ownership of the deceased spouse's vehicle(s) into the surviving spouse's name. Currently, when a surviving spouse is *not* listed as a joint vehicle owner, the individual is charged a \$100 fee for a new certificate of title. Conversely, a surviving spouse who is listed as a joint vehicle owner with the decedent is not charged a fee to obtain a new title. Thus, the bill establishes a uniform fee exemption for both situations. However, the surviving spouse must still provide the required documentation to demonstrate a legal right to the vehicle.

State Revenues: MVA estimates that approximately 5,000 individuals each year are affected by the fee exemption established by the bill. Thus, TTF revenues decrease by approximately \$500,000 annually (\$375,000 in fiscal 2024 due to the bill's October 1, 2023 effective date).

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Register of Wills; Maryland Department of Transportation;
Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2023
km/lgc Third Reader - March 14, 2023

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Vehicle Laws – Certificate of Title – Surviving Spouse

BILL NUMBER: SB705

PREPARED BY: MDOT MVA
(Dept./Agency)

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS