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TO: The Honorable William C. Smith, Jr., Chair
Judicial Proceedings Committee

FROM: Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation, Legislation and Policy

RE: Senate Bill 681 – Motor Vehicles – Inspection Certificates – Exception --
OPPOSE

The Consumer Protection Division of the Office of the Attorney General opposes Senate Bill 681 sponsored by Senator Ready. Senate Bill 681 would exempt from inspection a used vehicle that is transferred from a business to one of its owners. The Division is concerned that the exemption could result in unsafe vehicles on the road.

To ensure that a used vehicle may be safely operated on the roads, Maryland law requires a used vehicle that is transferred to undergo a safety inspection, with only limited exceptions. Md. Code Ann., Transp. §§ 23-106 and 23-107. The Motor Vehicle Administration considers the safety inspection so critical that last session it sought legislation, which was enacted by the General Assembly, to give it the ability to immediately suspend, without first conducting a hearing, the license of a tag and title company that it suspects is falsifying inspection certificates. See House Bill 157 (2020), enacted as Chapter 85.

A vehicle used by a business generally undergoes substantial use and wear and tear. When the business is ready to dispose of the vehicle, it is important that the vehicle be thoroughly inspected by a licensed inspection facility to ensure that it can be safely operated, regardless of whether the vehicle is being transferred to one of the owners of the business or an unrelated party.

Consequently, the Consumer Protection Division requests that the Judicial Proceedings Committee give Senate Bill 681 an unfavorable report.

cc: The Honorable Justin Ready
Members, Judicial Proceedings Committee