

Crossover MCRC HB368-MVA Clarifications Act.pdf

Uploaded by: Isadora Stern

Position: FAV



Maryland Consumer Rights Coalition

Testimony to the Senate Judicial Proceedings Committee
HB 368: Motor Vehicle Registration Clarification Act
Position: Favorable

March 23, 2022

The Honorable William Smith, Jr., Chair
Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of HB 368. HB 368 prohibits the Motor Vehicle Administration from assessing a penalty for a vehicle whose required security has terminated or lapsed if the vehicle's certificate of title has been transferred to a new owner and the vehicle's registration plates are returned to the Administration within 10 days after the termination or lapse

In 2018, MCRC's research report [No Exit](#) documented Maryland's debt collection processes as well as policies that criminalize poverty. Fines and fees are one set of policies that criminalize poverty among Maryland residents. Several years ago, MCRC supported legislation to delink drivers licenses renewals from fines and fees. Similarly, HB 368 prohibits penalizing a driver under limited circumstances in order to limit punitive fines and fees that for Maryland consumers.

For all of these reasons, we support HB 368 and request a favorable report.

Best,

Marceline White
Executive Director

HB 368 - Delegate Marc Korman - FAV JPR testimony

Uploaded by: Marc Korman

Position: FAV

MARC KORMAN
Legislative District 16
Montgomery County

Appropriations Committee

Subcommittees

Capital Budget

Chair, Transportation and the
Environment

Oversight Committee on Personnel



The Maryland House of Delegates
6 Bladen Street, Room 210
Annapolis, Maryland 21401
410-841-3649 · 301-858-3649
800-492-7122 Ext. 3649
Marc.Korman@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 368

Testimony of Delegate Marc Korman—Favorable

Thank you Mr. Chair, Mr. Vice Chair and members of the Judicial Proceedings Committee. I come before you today to present the **HB 368 (Vehicle Laws - Penalties for Lapse of Security - Grace Period)**. The legislation makes a simple, technical change to the Motor Vehicle Administration's (MVA) practice of processing returned licensed plates. It was brought to my office's attention by a constituent that an error in the MVA system was causing penalties to be issued to vehicle owners who had cancelled insurance after returning their license plates, but before the plates had been processed by MVA. MVA currently has a 5 day grace period for these penalties. The bill simply extends that grace period to 10 days to ensure that a delay in processing the plates does not lead to an erroneous penalty.

The legislation should not impact MVA's financials. As was the case for our constituent, MVA usually refunds the erroneously issued fine once the error is flagged for them by the vehicle owner. However, the burden should not be placed on vehicle owner to reach out to MVA to rectify the error. The 10 day pause mandated by the bill will give MVA enough time to confirm that the plates were properly returned before issuing a penalty for lapse of insurance. The change will save time for both MVA and vehicle owners by eliminating the possibility of an erroneous fine.

I have had productive conversations with MVA regarding the legislation and upon their suggest, the House passed the bill as amended to expand the 10 day waiting period for the following situations as well:

- Customers that have moved out of state and are returning tags by mail.
- Totaled vehicles that have been deemed salvage and the plates have not returned.
- A licensed dealer that has taken possession of the vehicle with a promise to return but there is an unexpected delay in delivery.

Overall, these changes will improve efficiency and will save MVA valuable administrative time and resources by reducing the number of erroneous fines that need to be corrected. I urge a favorable report.

HB 368-Donald Beers-FAV.pdf

Uploaded by: Marc Korman

Position: FAV

Motor Vehicle Registration Clarification Act (HB 368)
Testimony of Donald Beers—Favorable

To: House Environment and Transportation Committee

I wish to thank the legislature for considering this bill, which is a technical fix to a problem that is unintentionally created by the current legislative language. The current language has resulted in a waste of the time and resources of the state government and of Maryland citizens.

I want to make it clear that this proposed amendment, which I think was initially prompted by my own experience, should not be considered an attack on the MVA or its actions. I have recently retired from Federal government service and have often had to deal with situations in which the government agencies are blamed for problems that are inadvertent results of the laws that they are assigned to administer.

My own experience illustrates the problem that HB 368 would fix:

On the evening of July 2 of last year, I traded in the car that I had been driving at a dealership. On July 3, I returned the license plates for that car, leaving them in the self-service drop box at the MVA facility in Rockville. The MVA subsequently acknowledged receipt of the plates and refunded the unused portion of my registration fee.

On July 23, MVA issued a notice stating that I was being assessed a \$150 fine because the plates that I had turned in were not covered by insurance. I called the MVA to try to clear this up. After a great deal of difficulty getting through to the right person, I was able to speak with a representative, who checked the information that I provided and closed the matter without me paying the fine. The representative confirmed that this process—notice of fines that are essentially mistakes followed by contacting the MVA to explain the circumstances followed by having the fine remitted—is not uncommon.

I have to assume that the fine notices are issued automatically pursuant to some computer program that reflects current law. This of course ends up in a waste of MVA resources (in my own case I spoke with 3 different people at the MVA before I got through to the right person) and serves only to cause distress for citizens for no gain whatsoever to the state.

HB 368 is a simple fix to this problem, and I encourage its passage. Since currently almost anyone who would be exempted by this bill would be expected to contact the MVA, explain the situation, and have the fine remitted, there would be no loss of revenue to the state and those at MVA who have to deal with these calls could work on other matters. This seems, to me at least, a reasonable way to address this issue that should not have any opposition.

This is, I know, a small matter in the scheme of things, but it is a problem with a solution. I hope it will be adopted.

Donald O. Beers
29 Wellesley Circle
Glen Echo, Maryland

HB0368 - MVA - Vehicle Laws - Penalties for Lapse

Uploaded by: Patricia Westervelt

Position: INFO



Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
James F. Ports, Jr.
Secretary

March 23, 2022

The Honorable William C. Smith, Jr.
Chairman, Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, MD 21401

RE: Letter of Information – House Bill 368 – Vehicle Laws - Penalties for Lapse of Security - Transferred Certificate of Title (Motor Vehicle Registration Clarification Act)

Dear Chairman Smith and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 368 but offers the following information for the Committee's consideration.

House Bill 368 would prohibit the MDOT Motor Vehicle Administration (MVA) from assessing a penalty for an insurance lapse if a vehicle's previous owner returns the registration plates to the MDOT MVA and the vehicle's title is transferred within 10 days of selling a vehicle.

Currently, the MDOT MVA requires customers to return tags before cancelling insurance on a vehicle. If a customer cancels their insurance prior to receiving a receipt for returning their tags, this can result in a fine being assessed for a lapse in insurance coverage.

The quickest way to obtain a receipt is via in-person branch visits, which does not require an appointment. When customers return tags this way, a tag return receipt is processed at the time of the transaction and either a hard copy or email is provided immediately. Under current procedures, customers can immediately cancel insurance after the return of tags is completed, and no fine will result.

Customers also can return tags to 24/7 drop boxes, currently located at nine MDOT MVA branches across Maryland. In order to expand this service, the MDOT MVA is actively working to install drop boxes at all full-time branch offices statewide. Alternatively, should customers be unable to visit a branch or drop box, customers are able to mail the tags to the MDOT MVA headquarters in Glen Burnie. Once the return has been processed by either method, customers can download a copy of their tag return receipt via the MDOT MVA's online portal; should the customer elect to use one a drop box service, they are able to scan the QR Code on the drop box to access the return receipt. Returns may take up to three days for processing, but the date provided on the return form by the customer is the official date logged for the return of the tags. Customers receive a five-day grace period between the tag return date and cancellation of insurance to ensure they are fined unnecessarily, as well as additional safeguards. Through the use of these three methods, the MDOT MVA processed over 818,000 tag returns in calendar year 2021.

The Honorable William C. Smith, Jr.
Page Two

The MDOT MVA welcomes the amendments to House Bill 368 that have expanded it to provide customer service enhancements in three additional occurrences: (1) customers that move out of State and return tags by mail (2) vehicles that are totaled but deemed salvage, and (3) instances in which a licensed dealer has taken possession of the vehicle with a promise to return, but there is an unexpected delay in delivery within the existing five-day window.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 368.

Respectfully Submitted,

Christine E. Nizer
Administrator
Maryland Motor Vehicle Administration
410-787-7830

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
410-865-1090