

January 31, 2024

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

RE: Letter of Information – Senate Bill 357 – Baltimore City - Out-of-State Vehicles - Improper Registration

Dear Chair Smith and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following letter of information for the Committee's consideration on Senate Bill 357.

Senate Bill 357 authorizes Baltimore City to tow, remove, or impound a vehicle that City officials determine to be a new State resident that has failed to properly register with and display valid Maryland registration tags issued by the Motor Vehicle Administration (MVA).

The MVA currently offers an excise tax rebate to new Maryland residents that register their vehicles within the first sixty (60) days of residency. The excise tax rebate is equal to any previously paid excise or sales tax in another state of residence and applied against taxes owed in Maryland. If the previous state of residence charged 6% or more, new residents are charged the minimum rate required under Maryland law. The sixty-day timeline for the MVA begins once a customer obtains their Driver's License or Identification Card. Additionally, if a vehicle title and registration are not transferred within sixty days of that date, the full excise tax is assessed. The MVA is unable to identify an out-of-state vehicle owner's residency status until such paperwork showing ownership is presented to the MVA.

The MVA has a reporting mechanism for concerned individuals to identify vehicles that do not appear to have valid Maryland registration tags. When such a report is made, the MVA dispatches an investigator to contact the vehicle owner and determine if they are a resident who does not have an exemption for vehicle registration. The exceptions to the requirement for registration include active-duty military members, university students, temporary employees, and medical visitors. Since Baltimore City is located near military bases, universities, international corporations, and medical facilities, there are a number of possible long-term residents that could qualify for such an exemption. When an MVA investigator identifies that a vehicle owner does not qualify for such an exemption, they issue a 60-day warning to take corrective action.

The Maryland Department of Transportation respectfully requests the Committee consider this information during its deliberations of Senate Bill 357.

Respectfully submitted,

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