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March 5, 2026

The Honorable Marc Korman  
Chair, Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401

***RE: Letter of Information – House Bill 1447 – Motor Vehicle Administration – Improper Registration – Investigation and Penalties***

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1447 and offers the following information for the Committee’s consideration.

HB 1447 requires the Motor Vehicle Administration (MVA) to create a system for collecting insurance policy information from insurers to assist the MVA in determining whether a vehicle is improperly registered. It further requires the MVA to impose an escalating fine on violators and enables hiring private parties to carry out the notice to vehicle owners they are in violation of registration requirements.

Improper vehicle registration is not a victimless practice and represents a significant problem for the State of Maryland and its residents. In the current Consolidated Transportation Program, motor vehicle registration and miscellaneous vehicle fees account for 17% of the Transportation Trust Fund’s (TTF) revenue, which funds critical infrastructure projects throughout the State. In addition, improperly registered vehicles create the risk that these vehicles may not carry minimum insurance coverage, participate in the vehicle emissions inspection program, nor comply with automated traffic citations. Addressing this issue is an important topic for ensuring the health of the TTF, compliance with clean air standards, and the safety and quality of life in Maryland.

Currently, MVA Investigations visits the reported location of a vehicle suspected to be out of compliance and attempts to speak with the owner. Where the owner is confirmed to be a Maryland resident, a 60-day notice to register the vehicle in Maryland is provided. If an owner does not comply within the required timeframe, further action (such as seizure of the out-of-state registration tags) is taken in partnership with local law enforcement.

While HB 1447 does require the MVA to conduct an investigation into identified vehicles presumed in violation of registration requirements, it does not provide clear authority for the MVA to compel insurance companies to share necessary information. Some of these insurers are also likely outside of the MVA’s jurisdiction given the registration of origin for the vehicles being covered. The bill does not provide clear authority for the MVA to submit accrued civil penalties a vehicle owner refuses to pay within a timely manner to the State’s Central Collections

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Unit, potentially reducing the effectiveness of imposing the fine should a vehicle owner refuse to comply with the Administration.

Additionally, the 60-day timeline mirrors existing statutory requirements before fines begin to accrue but may prove difficult for some customers to achieve compliance. Over the past two years, the MVA has received information from the Virginia Department of Motor Vehicles (DMV) on motor vehicles registered in Virginia to an owner with a Maryland address. The MVA has determined that many of these vehicles and/or customers have indicators (e.g., administrative flags, insurance lapse cases, etc.) on their accounts. Many of these indicators must be resolved prior to registering the vehicles in Maryland. For example, analysis determined that 28,003 of the suspected improperly registered vehicles were previously registered in Maryland and later registered in Virginia. Over 50% of these vehicles had indicators on their Maryland record that would delay or prevent re-registration, and 99.98% of these vehicles were noncompliant with Virginia safety inspection requirements according to the Virginia State Police.

From a safety perspective, over 2,000 of the identified vehicles were tied to over 2,500 crashes in Maryland that occurred between January 1, 2024, and November 18, 2025. Over 1,900 of these crashes resulted in property damage, over 500 resulted in injuries, and five resulted in fatalities.

Given the concern with safety inspection issues along with the outstanding unresolved administrative flags preventing renewal, these owners are unlikely to resolve the outstanding issues within 60 days, triggering further financial penalties that could result in delays in meeting registration requirements.

Based on the information received from the VA DMV, the MVA recently sent letters to 58,000 individuals associated with 73,000 vehicles to notify them that they are potentially out of compliance with Maryland law. The MVA will continue outreach to Maryland residents about State law with direct correspondence, public education campaigns, and working with the General Assembly to reduce the number of improperly registered vehicles in out-of-state jurisdictions.

The MVA is committed to working with the sponsor and committee to develop policy solutions that directly address this important matter. The Maryland Department of Transportation respectfully requests the committee consider this information during its deliberation of House Bill 1447.

Respectfully submitted,

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