

March 31, 2026

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

RE: Letter of Support with Amendment – Senate Bill 111 – Vehicle Laws – Out-of-State Vehicles – Improper Registration

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully submits the following letter of support, with amendments, for Senate Bill 111.

SB 111 authorizes the Motor Vehicle Administration (MVA) to impose a civil penalty against a vehicle owner when probable cause exists in violation of Maryland registration laws requiring a vehicle to be registered in Maryland or demonstrate that the vehicle is exempt. After an initial 60-day grace period, failure to comply with the law results in a penalty of \$7 per day. The penalty is capped at 60 days, for a maximum fine of \$420. 120 days after the first action, the MVA must notify the local County Attorney to seek civil action in rem. Additionally, vehicles that were previously registered in Maryland and are being returned under the requirements of SB 111 are granted an excise tax exemption. It also authorizes the MVA to seize the registration plates of a person who is found in violation of registration requirements and has at least two unpaid automated traffic enforcement (ATE) citations. SB 111 further grants the MVA the authority to enter into ATE reciprocity agreements with other jurisdictions to address enforcement against vehicles that are registered outside the State of Maryland.

While the MVA is in favor of the provisions for excise tax exemption and reciprocity agreements for ATE, it respectfully requests the Committee otherwise amend SB 111 to conform with House Bill 212 as approved by the Committee. Further, MDOT would highlight that any excise tax exemption should be time-limited to further incentivize proper registration as required by State law.

Improper vehicle registration is not a victimless practice and represents a significant problem for the State of Maryland and its residents. 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.

By contrast to the current procedure of establishing a violation through in-person verification with a vehicle owner, SB 111 does not establish a clear definition of what probable cause is in the enforcement of SB 111's provisions. It also 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 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 will likely prove difficult for many violators to comply within, further setting them back from meeting compliance. Over the past two years, the MVA has filed Freedom of Information Acts for Virginia Department of Motor Vehicles (DMV) records and requested information on motor vehicles registered with the Virginia DMV by an owner using an address in Maryland. In reviewing data received in 2025, the MVA has been able to identify that many of these vehicles and/or the owners have indicators (ie. administrative flags, insurance lapse, etc.) on their accounts that prevent registration without resolving these indicators. The MVA is sending letters to 58,000 individuals representing 73,000 vehicles notifying them that they are potentially out of compliance with Maryland law. For example, data showed 28,003 vehicles that were previously registered in Maryland and had switched to Virginia. Over 50% of these vehicles had indicators on their Maryland record that would prevent registration and 99.98% of all vehicles were also out of compliance with Virginia safety inspections. Given the concern with safety inspection issues along with the outstanding unresolved administrative flags preventing renewal, these owners are unlikely to resolve these outstanding issues within 60 days, triggering further financial penalties that could result in delays in meeting registration requirements.

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 (5) resulted in fatalities.

Finally, the MVA has been able to obtain such records from the Virginia DMV through cooperation and partnership between neighboring jurisdictions. However, the ability to share this information with the MVA is subject to limitations within the laws of the Commonwealth. 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

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committed to working with committee to develop policy solutions that directly address this important matter.

The Maryland Department of Transportation respectfully requests that the committee consider this information and amendment proposal during its deliberation on Senate Bill 111.

Respectfully submitted,

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