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March 31, 2026

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

***RE: Letter of Support – Senate Bill 125 – Vehicle Laws – Transfer of Used Vehicles –  
Repeal of Notarized Bill of Sale Requirement***

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 125 which removes the requirement for a bill of sale, including notarized bills of sale, when titling a used vehicle. This change will allow the Motor Vehicle Administration (MVA) to modernize the electronic transfer of vehicle records (e-titling), improving customer convenience and security while keeping Maryland at the forefront of modern technology.

SB 125 replaces the current requirement that a notarized bill of sale be presented when titling a used vehicle when it is less than seven model years old and sold for less than within \$500 of its retail value. It further eliminates the requirement a bill of sale be included as a component of a title application, transitioning the MVA's process for calculating the excise tax owed to rely solely on the estimated value of the vehicle using industry standards.

Repealing the requirement for a notarized bill of sale is necessary for the MVA to facilitate e-titling. This extra document was previously required to ensure certain vehicle transfers had the correct excise tax applied when the sale price differed significantly from an estimated value. However, the Customer Connect platform used by the MVA automatically calculates the appropriate value of a vehicle using national standards and applies the excise tax based on that confirmed value, rendering a bill of sale, including notarized ones, an obsolete and unnecessary component of a title application. Over the past three fiscal years, the number of private sales requiring a notarized bill of sale averaged just under 10,500 per year, minimizing the overall impact to existing customers while also minimizing the number of customers who try to intentionally lower their tax liability when titling a vehicle. Therefore, this process is no longer needed and serves as a cumbersome requirement for states transitioning to e-titling.

Several states, including Maryland, are working with the American Association of Motor Vehicle Administrators (AAMVA) to develop an interstate e-titling solution. E-titling in partnership with other AAMVA participants has the potential to streamline the process of transferring vehicle ownership and increase the security of vehicle titles, making it beneficial for both the customer, dealers and vehicle wholesalers, and the MVA.

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For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 125 a favorable report.

Respectfully submitted,

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