

Maryland Automobile Dealers Association Fall 2018



Agenda

- Helpful Information
- Questions You Asked Us
- Regulatory/Policy Changes
- Have You Seen Fraud?
- Audits Presentation
- Legislation 2018

Helpful Information

Information to Help You

- Sign up for bulletins!

- http://www.mva.maryland.gov/businesses/bulletins/index_all.htm

- Use the Interactive Titling & Registration Manual

- http://www.mva.maryland.gov/_resources/docs/Interactive-Title-and-Registration-Manual.pdf

- Apply for Electronic Lien Services (ELS)

- *Notifications of liens recorded & submit lien releases electronically.*
- <http://www.mva.maryland.gov/businesses/els.htm>

- Have you updated your contact information? Why is this important?

Need a Soundex Number?

- Copy of out of State driver's license (continental United States, Guam, Puerto Rico, and U.S. territories).
- OR acceptable proof of ID (i.e. Military ID)
- Copy of VR-005 (customer's full name, date of birth, Maryland address).
 - *Did you include the middle name?*
 - *Did you include the full address?*
- Email to ertsoundex@mva.maryland.gov
- Or fax to (410) 424-3629 or (410) 768-7070

Are You Including the Deal Receipt?

- We have noticed a large number of deal receipts missing from the paperwork.
- We have noticed a large number of “pull tags” (part of the bundle report) instead of a deal receipt.
- We need this.....

		Maryland M.V.A. Title/Reg Receipt	
BALANCE	[REDACTED]		
JAG	[REDACTED]		
TR DATE:	06/30/2018	Total Tax	1484.15
TR NUMBER:		Allowed	8.90
TR TYPE:	T1	Net Tax	1475.25
TITLE:	506 [REDACTED]	Title Fee	100.00
CTL NO:	021 [REDACTED]	Lien	20.00
CL/TAG:	A/9 [REDACTED]	Transfer	0.00
STKR:	061 [REDACTED]	Admin	0.00
MULTI:	00	Misc	0.00
1ST LIEN:	6177	Registration	101.00
	AMERICAN HONDA FINAN	Surcharge	34.00
VIN:	1HG [REDACTED]		
DLR SOUNDEX:	X80000 [REDACTED]	Total Fees	1739.15
DLR #:	N [REDACTED]	MVA Amount	1730.25
DLR NAME:	NORRIS HONDA		
DLR DELIVERY DATE:	06/30/2018		

Is Your Paperwork In Order?

- We have noticed a large number of deals missing paperwork.
- The proper order of paperwork is:
 - *Drivers License or ID*
 - *Maryland MVA Title/Reg Receipt*
 - *Registration card (IF TRANSFERRING TAGS)*
 - *Application for Certificate of Title (VR-005)*
 - *Certificate of Origin, Title, or other acceptable ownership document*
 - *Lien Release-Notice of Security Interest Filing*
 - *Dealer Reassignment(s)*
 - *Dealer's Bill of Sale*
 - *Miscellaneous MVA Forms*
 - *Odometer Mileage Statements*
 - *Maryland Safety Inspection Certificate*
 - *Vehicle Emission Report (IF SUBMITTED)*

Do You Need A Correction?

- Letter of explanation from dealership on letterhead
- Incorrect title
- Incorrect SIF (if applicable)
- New VR-005
- If removing a name, a letter from both individuals explaining the reason for removal
- Correction Fee \$40.00
- Note: Owner correction can only be made within the first year of titling.

When Do You Have to Submit Pending Deals?

- Immediately!!!
- For Dealers: no later than 30 days.
- For Tag and Titles: 3 days for cash/credit transactions and 10 days for check transactions.
- Who is responsible for late deals completed by Tag and Titles?
 - *Dealer or Tag and Title?*

ERT Transactions That CAN Be Processed Electronically:

- New title and tags (T1)
- New title and transfer of tags (T2)
- New title and transfer with renewal of tags (T3)
- New title only (T5)
- Title for ATV's – use Class D, enter NR in inspection field, enter AT for body style.
- New tag registration (NR)
- Standard renewal (SR)
- Replacement tag renewal (RT)
- Substitute tags (ST)
- Duplicate registration (DU)
- Duplicate title (DT) – Transmit only
- Administrative flag fee (AF)
- Tag return
- Transfer tags after titling (TT)
- Transfer with renewal after titling (TR)

ERT Transactions That CANNOT Be Processed Electronically:

- No salvage transactions
- No branding of titles (can ONLY brand for *CAL LEV*, leased vehicles and odometer A,B, or C)
- No VIN plate assignment
- No personalized tags or organizational tags (only transfer)
- No taxi (Class B)
- No limousine (Class Q)
- No ambulance/funeral (Class C)
- No State or Local Government
- No law enforcement
- No tax exempt businesses (mergers, reorganizations, newly formed, dissolutions)
- No exempt individuals transferring to inter vivos trust
- No excise tax credit for new residents
- No out of country (gray market vehicles)
- No registration correction (RC)

Excise Tax – Taxable Items

- Retail purchase price
- Shipping or freight charges
- After manufacture items included with the vehicle at time of purchase
- Manufacturer rebates
- Full amount charged for processing fee by dealer

Excise Tax – Non Taxable Items

- Dealer discounts or rebates
- Extended warranties
- Mechanical repair contracts
- Federal excise tax
- Electronic registration fee
- Trade-in allowance
- Equipment installed to accommodate a disabled person

Questions You Asked Us

Questions?

- With the many cross-over models now being sold, could Maryland consider combining the Class A and Class M tags into one category? The fees are the same and the tags now look exactly the same so why have two separate classes, especially since it is very difficult to know which class many of the crossover vehicles should be in?
 - *This is a great suggestion and would make life easier for everyone....including us.*
 - *Requires a legislative change.*

Questions?

- Is it true that you can only add or delete a name when transferring tags if it is parent/child or spouse? Do you need to provide proof of that relationship?
 - *No!*
 - *Transfers can happen from parent to child and between spouses.*
 - *If the last names are different you would need to show proof of relationship.*

Questions?

- When giving tax credit for a vehicle that was owned by a relative – what additional documentation do you need?
 - *You may need to show proof of relationship.*
 - *Need a completed gift certification form.*

Questions?

- How long do we need to retain paperwork deals?
 - *Electronic or paper title records are required to be kept for 3 years from the date of the transaction.*
 - *The federal odometer record must be maintained for 5 years.*

Questions?

- Our dealership is going paperless; customers are signing electronic Doc Pads, how is the MVA going to handle this, as everyone seems to be going paperless. We have asked this before...why isn't the MVA going the same way? In today's world everything is electronic.
 - *The MVA is looking into going paperless with Customer Connect.*
 - *Need legislative changes.*
 - *Currently need ink signatures on the:*
 - *VR-005*
 - *Title*
 - *Federal Odometer Statement*
 - *Power of Attorney*

Questions?

- Electronic Titles are a nightmare, banks only send a letter stating it is paid off, then we have to go through hoops to obtain a Title...some banks won't even talk to us due to privacy laws even with the paperwork we have showing we took vehicle in trade. The banks keep saying that they don't have to follow the MVA rules. It's becoming so stressful.....but nothing seems to be done about the banks. The hold titles and lien releases for well over 45 days...but nothing can be done.....WHY!!!!

- *We have the same struggles as you do.*
- *At some point MD may become a one part title state which would greatly help with the issue.*

Questions?

- What is the status of the tax credit fund for the electric vehicles? Will we get notified when it starts to run low so we can let customers know when they purchase an electric vehicle?
 - *There's roughly \$1 million left in funding.*
 - *We will continue to process in the order we receive them.*
 - *As in previous years, we will notify business licensing when the funds are near depletion and again we the funds are depleted.*

Regulation/Policy Changes

Regulation/Policy Changes

- Salesman are required to have a criminal background check within 30 days of any initial or renewal license application.
 - *MVA accepts Department of Public Safety and Correctional Services (DPSCS) criminal justice information system (CJIS) background checks.*
 - *Maryland state residents are required to complete CJIS.*
 - *Out of State residents are required to have complete CJIS and the criminal background check authorized by the State they reside in.*

Regulation/Policy Changes (Continued)

- Dealer license extended from 2 year license to a 3 year license.
- After October 1, 2017, all dealer licenses approved or renewed must have a contract with a business that provides electronic registration and titling services to the dealerships.
- For new vehicles, dealers must disclose in writing before consummating the sale of the vehicle, any body or mechanical damage that resulted in repairs exceeding 3% of the Manufacturer Suggested Retail Price (MSRP).

Have You Seen Fraud?

Safety Inspections

- Maryland Safety Inspection System (MSIS) launched in June 2014
- Each year, over 600,000 vehicles are inspected
- Over \$190,000 is saved annually by eliminating paper certificates
- Always check the inspection status!
<https://egov.maryland.gov/msp/vsi/Lookup#/>

Electronic Safety Inspections

Inspection Receipt

Maryland State Vehicle Safety Inspection Receipt

Inspection Summary

Customer Information		Vehicle Information	
Customer Name	JOE'S GARAGE, INC.	Vehicle	1999 Yellow Ford Test
Customer Address	Test Address, Crofton, Maryland, 11111	VIN	123123qwrq2345112
		Vehicle Class	Class A
		Initial Odometer	1000
		Ending Odometer	1002

Station Information		Inspection Information	
Station Name	JOE'S GARAGE, INC.	Inspection Result	Passed
Station Number	1234	Initial Inspection Date	Tuesday, October 17, 2018
Station Address	Test Business, Maryland, 11111	Certification Date	e0001919
Inspector	Bryan stim	Certification Number	2
		Work Order Number	

PLEASE NOTE:

We have sent your inspection data electronically to the MVA. If you have a license plate with a temporary registration sticker you can order your new registration card and stickers online the following business day@ securetransactions.mva.maryland.gov/emvastore/

The inspection for the above vehicle is valid for 90 days for non-dealer transactions.

Inspections for dealer transactions are valid for the earlier of 6 months or 1,000 miles added to the odometer.

A vehicle with an inspection recorded at MVA may be resold to a new owner, within 30 days, using this inspection.

Always
ask for
the
receipt!

Paper Safety Inspections

Fraudulent Certificate

MARYLAND STATE POLICE
M.V.A. COPY
NO. 0492015

INSPECTION CERTIFICATE

THIS IS TO CERTIFY THAT THE FOLLOWING DESCRIBED VEHICLE

KIA	2003	SUV	KNDJG73383508235296	204
MAKE	YEAR	TYPE	VEHICLE IDENTIFICATION NUMBER	MILEAGE

HAS BEEN INSPECTED BY A DULY AUTHORIZED REPRESENTATIVE OF THE INSPECTION STATION NAMED HEREON AND SUCH STATION HOLDS A CURRENT, VALID LICENSE, PURSUANT TO THE APPLICABLE PROVISIONS OF TRANSPORTATION ARTICLE, ANNOTATED CODE OF MARYLAND. IT HAS BEEN DETERMINED THAT THE SAFETY EQUIPMENT OF THE DESCRIBED VEHICLE, AS SPECIFIED BY LAW, MEETS WITH OR EXCEEDS THE MINIMUM SAFETY STANDARDS.

STATION STAMP: JIM BARBEY AUTOMOTIVE, 10821 PHILADELPHIA ROAD, WHITE MARSH, MARYLAND 21162, (410) 335-8848

Date of Certificate: July 31, 2018

Signature of Registered Inspector: Charles Edwards

Printed Name: Charles Edwards

FOR MVA USE ONLY
TAG _____
TITLE _____

MSP 23-63 (07/05)

No station number

Unregistered mechanic

Not Perforated Paper

Incorrect certificate number do not begin with "0"

Discoloration in printing of Gray area

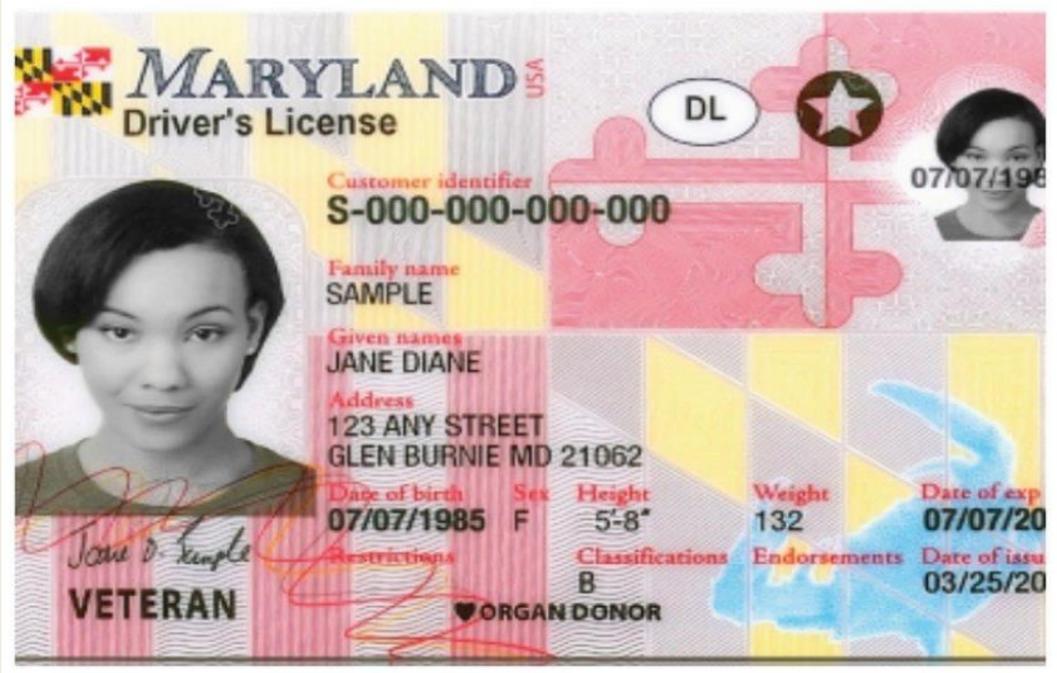
Incorrect paper (quality) & inaccurate green color

No watermark ("VOID") when photocopied

Driver's Licenses

- Maryland is Real ID compliant
- Are you Real ID compliant?

<http://www.mva.maryland.gov/realid/index.htm>



Driver's Licenses

- What do you need to be Real ID compliant?
 - *1 proof of age and identity*
 - U.S. birth certificate or valid passport
 - *1 proof of social security*
 - Social security card, W-2 or SSA-1099
 - *2 proofs of Maryland residency*
 - Insurance card or vehicle registration
 - OR bills addressed to you at your address such as credit cards, utility statements, bank statements, or mail from Federal, State or Local governments

Driver's Licenses

■ How do you validate a license?

Hologram images and water marks



Hologram images and water marks



Changeable hologram image

Tactile Text

Actual signatures....not scripted text. Example: *Angelique Baker*

Audits Presentation

Rick Bilenky

Audits

- Temporary Tag – Only 1 per registration to any individual for same vehicle.
- No temporary registration issued for courtesy delivery.
- Used vehicle inspection – on or before the date of delivery.
- Inspection certificates are valid for 6 months or until 1,000 additional miles have been driven.

Audits (Continued)

- During our routine audits and ERT audits might visit your dealerships and attempt to account for one or a series of metal plates and or stickers.
- All sensitive items should be accounted for. The dealership should have a log or ledger or perpetual records whichever best suits the dealership.
- Any stolen sticker or tag should be reported to the ERT Unit, Business Licensing & your local Law Enforcement.
- Voided inventory should be documented properly and retained for audit purposes.
- In some instances registration materials are kept locked but all business employees have access to the secured areas.
- Keep access limited to necessary employees only.

Audits (Continued)

- The dealer processing fees stays is \$300.00.
- This fee is taxable and should be included in the taxable selling price.
- This dealer-processing fee should be clearly identified and not included as a lump sum on the dealer's buyer's orders and sales invoices.
- For out-of- state dealers there is no limit to the dealer processing fee, however, the whole amount should be included in the taxable selling price.
- Manufacturer's rebates are taxable and should be included in taxable selling price.
- Internal Auditing is mandated by the Legislative Auditors to expand dealership audits that have excise tax due based on numerous instances or fraud.

Audits (Continued)

- The amount of the trade-in allowance that is deducted from the purchase price may not exceed the trade-in value indicated in the national publication of used car values adopted for use by the Administration. If the dealer has any documentation to substantiate the higher trade-in value they should provide this to the auditor.
- The trade-in allowance shall be limited to the vehicle with the highest trade-in value.
- A trade-in allowance may not be divided or deducted from the purchase price of more than one vehicle.
- Check proof of ownership of trade-in vehicle.

Audits (Continued)

- Transportation Article, Title 15, Section 15-311.3 requires a dealer selling a vehicle to a customer to provide notice to the customer that arranged financing of a third party institution has not been finalized as of the date of delivery.
- The dealer must notify the buyer in writing within 4 days of the date of delivery if the vehicle sale is cancelled.
- Also, the buyer has two days of receipt of this written notice to return the vehicle to the dealer in the same condition except for normal wear and tear.

Audits

- Dealer processing fees not included in taxable selling price (20%)
- Overcharging of registration fees in more than 50% of audits.
- Selling price discrepancies, error, and minimum selling price. (15%)
- Itemized fees to clearly label registration fees, lien fees, electronic fees, etc. (25%)
- Sales persons must have active license to sell vehicles. (few audits)
- Title lateness improved greatly down to 12%.
- Salvage vehicle brand. (few audits)
- A used vehicle should be inspected on or before the date of delivery.

Legislation 2018

Effective June 1, 2018

HB 0465 (SB 0353) Motor Vehicle – Vehicle Laws – Golf Carts – City of Crisfield

- Allows golf carts equipped with approved lighting to operate in the City of Crisfield in Somerset County.
- Between dawn and dusk to encompass *all* highways (current law states only on local highways).
- Maximum posted speed limit does not exceed 30 miles per hour (current law states 35 miles per hour).
- The golf cart must be kept as far to the right of the roadway as feasible.
- Driver must have a valid driver's license
- http://mgaleg.maryland.gov/2018RS/chapters_noln/Ch_86_hb0465T.pdf
- Effective June 1, 2018

HB 0330 (SB 0245) Motor Vehicle – Vehicle Laws – Exception for Golf Cars – Town of Vienna

- Allows golf carts equipped with approved lighting in the Town of Vienna in Dorchester County.
- Between dawn and dusk on a local highway on which the maximum posted speed limit does not exceed 30 miles per hour.
- The Town of Vienna may designate locations within the town where a golf cart may be operated.
- The golf cart must be kept as far to the right of the roadway as feasible.
- Driver must have a valid driver's license.
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb0330E.pdf>
- Effective June 1, 2018

Effective July 1, 2018

HB 106 (SB 475) Motor Vehicle – Vehicle Laws – Emergency Vehicles – Organ Delivery Vehicles

- Authorizes the MVA to designate an “organ delivery vehicle” as an emergency vehicle.
- Must meet vehicle registration and operator certification requirements.
- Can exercise emergency road privileges while transporting:
 - *(1) a human organ for transplantation or*
 - *(2) emergency medical personnel for performing organ recovery or transplantation.*
- Must be equipped with display red, and white signal devices.
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb0106T.pdf>
- Effective July 1, 2018

HB 1161 (SB 856) Motor Vehicle – Vehicle Laws – Maryland Automobile Insurance Fund – Uninsured Division – Uninsured Motorists

- Moves the Uninsured Motorist Education and Enforcement Fund (UMEEF) from the Motor Vehicle Administration (MVA) to the Maryland Automobile Insurance Fund (MAIF).
- MAIF will now administer the program to incentivize and enable uninsured vehicle owners to be insured.
- MVA will notify MAIF when a registered vehicle becomes uninsured.
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb1161T.pdf>
- Effective July 1, 2018

HB 1586 Motor Vehicle – Vehicle Laws – Wicomico County – Motorcycles – Sunday Sales

- Allows motorcycle dealers in Wicomico County to offer for sale, sell, barter, deliver, give away, or show a motorcycle or certificate of title for a motorcycle on Sundays.
- The existing prohibition against Sunday sales for other motor vehicles types in the county is otherwise unchanged.
- http://mgaleg.maryland.gov/2018RS/chapters_noln/Ch_88_hb1586T.pdf
- Effective July 1, 2018

SB 372 Motor Vehicle – Vehicle Laws – Estates and Trusts – Transfer from Revocable Trust – Exemption from Taxes and Fees

- Exempts recordation and transfer taxes of real property transfer from a revocable trust to a beneficiary as a result of the death of the person who created the trust.
- Exempts motor vehicle excise tax and titling fee vehicles that are transferred from a revocable trust to a beneficiary as a result of the death of the person who created the trust.
- Current title must show that the vehicle was transferred from a revocable trust.
- Vehicle is required to have a Maryland safety inspection
- <http://mgaleg.maryland.gov/2018RS/bills/sb/sb0372T.pdf>
- Effective July 1, 2018

SB 606 Motor Vehicle – Vehicle Laws – Off-Highway Recreational Vehicles – Excise Titling Tax – Off-Highway Recreational Vehicle Trust Fund

- Establishes the Off-Highway Recreational Vehicle Trail Fund for the purpose of maintaining and constructing trails for off-highway recreational vehicles on specified land that is owned or leased by the Department of Natural Resources (DNR).
- 50% of the revenue generated from the excise tax imposed on off-highway recreational vehicles (25% in fiscal 2019 only) goes to the fund.
- Money expended from the fund is supplemental to and is not intended to replace funding that would otherwise be appropriated for maintaining and constructing trails for off-highway recreational vehicles.
- <http://mgaleg.maryland.gov/2018RS/bills/sb/sb0606E.pdf>
- Effective July 1, 2018

SB 393 Motor Vehicle – Vehicle Laws – Clean Car Act of 2017

- Excise Tax Credit for Plug-in Electric Vehicles has been extended.
- The vehicle must meet the following conditions to qualify for the excise tax credit:
 - *Has not been modified from the original manufacturer specifications;*
 - *Is acquired for use or lease by the taxpayer and not for resale;*
 - *Has a total purchase price not exceeding \$60,000;*
 - *Has a battery capacity of at least 5.0 Kilowatt-Hours;*
 - *Is purchased new and titled for the first time on or after July 1, 2017, but before July 1, 2020;*
- Credit is limited to the acquisition of 1 plug-in electric vehicle per individual, or 10 per business entity;
- A credit “may not be claimed” for a vehicles registered outside of Maryland.

SB 393 Motor Vehicle – Vehicle Laws – Clean Car Act of 2017 (Continued)

- The new tax code for refunds issued will be **EC8** (July 1, 2018 – June 30, 2019)
- The excise credit is a maximum of \$3,000 and calculated as follows:
 - *\$100.00 times the kilowatt-hours of the battery capacity of the vehicle.*
 - *30 kilowatt-hours or more qualifies for the maximum credit.*
- To apply for credit, use the **Excise Tax Credit Request for Plug-In Electric Vehicle, Form VR-334** signed by both the vehicle owner(s) and the dealer.
http://mgaleg.maryland.gov/2017RS/fnotes/bil_0003/SB0393.pdf
- Effective July 1, 2018

Effective October 1, 2018

HB 253 Motor Vehicle – Vehicle Laws – Automobile Transporters

- Alters the definition of the “stinger-steered automobile transporter” to include certain vehicles not exclusively engaged in the transportation of automobiles or boats.
- Certain provisions regarding vehicle length and loads do not prohibit a backhaul (ability to carry cargo or general freight on the return trip) by an automobile transporter:
 - *Increasing the maximum allowable length of a certain stinger-steered automobile transporter*
 - *Acceptable colors for a certain fluorescent warning flag for an automobile transporter.*
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb0253T.pdf>
- Effective October 1, 2018

HB 632 (SB 276) Motor Vehicle – Vehicle Laws – Carroll County - Unlicensed Junk Vehicles and Parts – Repeal

- Repeals Public Local Laws of Carroll County Section 7-102, allowing junk motor vehicles or parts to be left on private or public property.
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb0632T.pdf>
- Effective October 1, 2018

HB 722 (SB 644) Motor Vehicle – Vehicle Laws – Allegany County - All-Terrain Vehicles and Snowmobiles

- Prohibits operating an all-terrain vehicle or snowmobile on certain highways in Allegany County.
- Allows local authority in Allegany County to designate a certain portion of the highway for crossing under a certain speed.
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb0722T.pdf>
- Effective October 1, 2018

HB 1104 Motor Vehicle – Vehicle Laws – Manufacturers and Dealers - Consumer Data Protection

- Authorizes a manufacturer, distributor, factory branches, or their agents to access data management systems with the express written consent of the dealer.
- Allows manufacturer, distributor, or factory branches to require certain data regarding warranty repair, certain vehicle sales, safety or recall obligations and payment of certain incentives.
- Prohibits manufacturer, distributor, or factory branches from taking adverse action against dealers that refuse to grant access to certain data.
- Prohibits manufacturer, distributor, or factory branches from requiring the dealer to grant access to the dealer's data management systems through a franchise agreement.

HB 1104 Motor Vehicle – Vehicle Laws – Manufacturers and Dealers - Consumer Data Protection (Con't)

- Indemnifies the dealer for any third-party claims for damages incurred as a result of a breach or unlawful disclosure of the consumer data maintained by the manufacturer, distributor, or factory branches.
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb1104T.pdf>
- Effective October 1, 2018

HB 41 (SB 39) Motor Vehicle – Vehicle Laws – Disability Parking Placards

- Establishes a disability placard for a permanently disabled individual to be valid until the death of the placard holder.
- http://mgaleg.maryland.gov/2018RS/chapters_noIn/Ch_41_sb0039T.pdf
- Effective October 1, 2018

SB 292 Motor Vehicle – Vehicle Laws – Estates - Administration Exemption - Transfer of Motor Vehicle and Boat Titles

- Allows the administration of certain estates containing certain motor vehicles or boat property is not required under certain circumstances.
 - *Only if the property owned by a decedent is not more than 2 motor vehicles;*
 - *And the decedent's surviving spouse is the decedent's only heir or legatee.*
- <http://mgaleg.maryland.gov/2018RS/bills/sb/sb0292E.pdf>
- Effective October 1, 2018

HB 1162 (SB 292) Motor Vehicle – Vehicle Laws – Vehicle Registration – Exemption From Registration Fees – Surviving Spouses of Veterans

- Exempts registration fees for people who are:
 - *At least 65 years old;*
 - *And is the surviving spouse of a deceased disabled veteran.*
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb1162T.pdf>
- Effective October 1, 2018

HB 1065 Motor Vehicle – Vehicle Laws – Title Service Agents

- Surety bond amount required for title services will be increased from \$25,000 to \$50,000 per business.
- Title services performing title transactions, may keep the lesser of \$12 per vehicle or 0.6% of the gross excise tax that the title service collects for each title transaction.
 - *If a title service fails to pay the appropriate excise tax for each title transaction, the administration may levy, in addition to the tax and assessment, a penalty equal to 25% of the tax due.*

HB 1065 Motor Vehicle – Vehicle Laws – Title Service Agents (Con't)

- The originator of the title transaction will retain the lesser of \$12 per vehicle or 0.6% of the gross excise tax.
 - *Meaning: If a title service is processing a title transaction for a dealership, the dealership will retain the lesser of \$12 per vehicle or 0.6% of the gross excise tax.*
- <http://mgaleg.maryland.gov/2018RS/bills/hb/hb1065T.pdf>
- Effective October 1, 2018

Business Licensing and Consumer Services

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Thank you!

Comments or Questions?