

Bulletin

May 22, 2007

D-05-07-01

BULLETIN TO:

**ALL DEALERS, TITLE SERVICES AND
AUTOMOTIVE DISMANTLER & RECYCLERS**

1. SUMMARY OF YEAR 2007 ENACTED LEGISLATION
2. ERT TIPS

1. 2007 LEGISLATION

This is a summary of some of the bills that passed the General Assembly during the 2007 Session that are of interest to Dealers, Dealer's Associations and other MVA licensed businesses.

HB 0131 / SB 0103 Maryland Clean Cars Act of 2007:

This bill requires the Department of the Environment and the Motor Vehicle Administration (MVA) to establish more stringent motor vehicle emissions standards and compliance requirements, and adopt regulations by December 31, 2007 to enforce these new requirements. It also creates a low emissions vehicle program (also known as California Emissions) applicable beginning with 2011 model year vehicles.

Effective: June 1, 2007

HB 0220/SB 0217 Vehicle Laws – Special and commemorative Registration Plates:

This bill extends the sunset period for the Chesapeake Bay Commemorative License Plate and the special registration plate honoring State agriculture from July 1, 2008 to July 1, 2013. This bill also repeals the termination date for certain provisions related to the design of and the renewal fees for the Chesapeake Bay Commemorative License. Finally, the bill prohibits the issuance of commemorative plates for Class "B" vehicles.

Effective October 1, 2007

HB 0856/SB 0444 Motor Vehicles – Special Registration Plates for Veterans –
Use after Vehicle Transfer:

This bill allows the spouse of an individual who has been issued special registration plates for veterans to continue use the plates after the vehicle title has been transferred from joint ownership to individual ownership.

Effective: October 1, 2007

HB 0921/SB 0100 Motor Vehicle Excise Tax – Active Duty Military Personnel
Who Become Maryland Residents:

This bill allows an active member of the military who becomes a Maryland resident a motor vehicle excise tax credit for a vehicle previously titled and registered in another state if the member of the military has not been a Maryland resident for more than one year. This bill would also expand the definition of a member of the military to include employees of the Commissioned Corps of the Public Health Service, the national Oceanic and Atmospheric Administration, and the Coast and Geodetic Survey.

Effective: July 1, 2007

HB929/SB279 Motor Homes and Travel Trailers – Vehicle Excise Tax –
Definitions – Repeal of Sunset

This bill if passed would have extended the trade-in allowance for motor homes and travel trailers. However, the bills failed to pass in the General Assembly. Therefore, effective, July 1, 2007 a trade in allowance is no longer allowed for these vehicles. Excise tax must be assessed on the full purchase price of the new vehicle.

2. ELECTRONIC REGISTRATION AND TITLING TIPS FROM AUDITING

- All dealers must maintain internal controls over Maryland State Properties (stickers, hard tags, registration cards and temporary tags) by segregating the three key functions of access to the inventory, perpetual records, and periodic independent review.
- All dealers must account for registration stickers by maintaining perpetual records. Dealers should report missing or stolen registration stickers to the Administration's ERT Unit, Business Licensing & Consumer Services and to local law enforcement. Keep documentation for voids and missing inventory readily available for verification.
- Registration stickers must be kept secure and separate from other office supplies.
- Out of State dealers must charge excise tax of 5% on the first \$100 of the processing fee and remit tax to the Administration for the Maryland residents who title their vehicle in Maryland.