

D-05-17-01

Date: May 31, 2017
Bulletin: All Dealers and Tag & Title Services
From: Business Licensing and Consumer Services
RE: Legislation

The following are the highlights of bills that have passed and may have a direct impact on dealers' and/or tag and title services:

The following bills are Effective July 1, 2017:

HB 406 \ SB 393 - Clean Cars Act of 2017

These bills extend through fiscal 2020 the termination dates of the qualified plug-in electric drive vehicle excise tax credit and the Electric Vehicle Recharging Equipment Rebate Program.

With respect to the qualified plug-in electric drive vehicle excise tax credit, the bills also (1) Increase to \$3 million the annual maximum amount of incentives available in fiscal 2018, 2019, and 2020; (2) reduce the maximum credit to \$100 times the number of kilowatt-hours (kWh) battery capacity of the vehicle, subject to a maximum credit of \$3,000; and (3) specify that a qualifying vehicle must have a total purchase price of \$60,000 or less and have a battery capacity of at least 5.0 kWh-hours.

With respect to the Electric Vehicle Recharging Equipment Program, the bills (1) increase to \$1.2 million the annual maximum amount of the rebates available in fiscal 2018, 2019, and 2020 and (2) alter the calculation and reduce the maximum values of the rebates.

HB 494 \ SB 86 - Motor Vehicles - Use of Fog Lights When Windshield Wipers Operating – Repeal

These bills repeal the option for a driver to use fog lights instead of headlamps when driving a vehicle on a highway and operating the vehicle's windshield wipers for a continuous period due to weather conditions that impair visibility.

HB 756 - Vehicle Laws – Annual Vehicle Shows

This bill exempts a new motorcycle dealer (and any employed salesperson) from restrictions on the number of annual vehicle shows in which the dealer or salesperson may participate. The bill also allows used vehicles to be sold at motorcycle shows.

Under the bill, a motorcycle dealer (or a licensed salesperson) may conduct all activities involved in a motorcycle sale (including executing a buyer's order, accepting a deposit of any amount, completing the sales contract, issuing temporary registration plates and a temporary registration certificate, and delivering the motorcycle).

The bill also modifies the vehicle show application requirement for all vehicle dealers by requiring a list of the names and business addresses of participating dealers to be submitted to MVA only to the extent that they are known.

HB 1360 \ SB 449 - Estates and Trusts - Vehicle Transfers - Excise Tax and Fee Exemption

These bills exempt from the motor vehicle excise tax and the titling fee certain vehicles that are transferred without consideration if the vehicle is transferred to or from specified trusts.

SB 57 - Income Tax Credit - Class F Vehicles - Modification and Extension

This bill under the Budget Reconciliation and Financing Act of 2013 established an income tax credit for registering in Maryland a tractor-trailer (Class F vehicle) that is titled in the State. The bill alters and extends the tax credit through tax year 2019. The Motor Vehicle Administration is authorized to issue in each tax year a maximum of \$10,000 in tax credits to a single taxpayer and a total of \$500,000 in tax credits on a first-come, first-served basis.

The following bills are Effective October 1, 2017:

HB 23 \ SB 341 Vehicle Laws - School Vehicles - Definition

These bills expand the definition of a "school vehicle" to include a vehicle that (1) was originally titled in another state and used to transport children, students, or teachers for educational purposes or in connection with a school activity in that state; (2) complies with federal regulations for transporting children enrolled in the federally funded Head Start program adopted by the U.S. Department of Health and Human Services; and (3) is used only for transporting children to and from a Head Start program. As a result, these vehicles may implement safety practices reserved for school buses, including: (1) using alternately flashing amber and red lights when receiving and discharging passengers; (2) retaining the color of school bus yellow; and (3) using designated loading zones for receiving and discharging passengers.

HB 176 \ SB 299 - Motor Vehicle Registration – Exception for Golf Carts – Golden Beach Patuxent 2 Knolls

These bills authorize a person to operate a golf cart equipped with approved lighting in the community of Golden Beach Patuxent Knolls in St. Mary's County between dawn and dusk on a county highway on which the maximum posted speed limit does not exceed 35 miles per hour. The St. Mary's County Department of Public Works and Transportation may designate the county highways on which a person may operate a golf cart. The golf cart must be kept as far to the right of the roadway as feasible, and the driver must have a valid driver's license. A golf cart operating under the bills' authorization is exempt from the general requirement that each motor vehicle driven on a highway in the State be registered.

HB 492 - Vehicle Laws - Certificate of Title - Transfer-on-Death Beneficiary Designation

This bill authorizes the sole owner of a motor vehicle to designate a beneficiary to assume ownership of the motor vehicle on the death of the owner outside of estate administration. The owner of a motor vehicle may designate a beneficiary by applying to MVA for an updated certificate of title that includes a designation signifying that ownership of the motor vehicle is to transfer on the death of the owner. MVA is required to allow the designation of a beneficiary on an application for a certificate of title. On the death of the owner, ownership of the motor vehicle passes to the beneficiary if the beneficiary survives the owner. If a designated beneficiary does not survive the owner, the motor vehicle is part of the deceased owner's estate.

HB 1120 - Vehicle Laws - Dealers - Performance Standards

This bill establishes that provisions of State law governing performance standards for vehicle dealers apply to vehicle manufacturers notwithstanding other franchise or franchise-related agreements. The bill further establishes that an assigned market area or a performance standard, sales objective, or program for measuring dealership performance, including the dealer's right to a benefit or payment under any incentive or reimbursement program, must (1) be fair, reasonable, and equitable; (2) be based on accurate information; and (3) take into account the demographic characteristics and consumer preferences of the population in the dealer's assigned market area. The characteristics and preferences that must be considered include car and truck preferences of consumers in the area and geographic characteristics including natural boundaries, road conditions, and terrain that affect car and truck shopping patterns. A dealer that claims the assignment of a market area is unfair or unreasonable due to failure to consider specified characteristics and preferences may file a claim in court to determine whether the assignment is unfair or unreasonable.

HB 1150 - Vehicle Laws - Off-Highway Recreational Vehicles

This bill alters the definition of "off-highway recreational vehicle" (OHRV) to include a "side-by-side utility vehicle," which is a motor-assisted or motor-driven vehicle that travels on four or more tires, is intended for use by one or more persons, and has specified features. In addition, the bill reduces the titling fee for OHRVs from \$100 to \$35.

SB 34 - Motor Vehicles - Leased Vehicles - Inspections, Insurance, and Excise Tax

This bill establishes that any vehicle leased by the State or any political subdivision of the State is exempt from the excise tax. The bill also prohibits MVA from issuing, reinstating, or renewing a vehicle registration for a vehicle lessee who has an unpaid uninsured motorist penalty. Finally, the bill exempts a leased vehicle transferred to the lessee at the end of a lease term from the requirement to obtain a used vehicle safety inspection.

Should you have any questions or concerns, please contact us at mvabcsd@mva.maryland.gov.