



Motor Vehicle Administration
6601 Ritchie Highway N.E.
Glen Burnie, MD 21062

Bulletin

D – 05-15-05

BULLETIN

Date: May 27, 2015
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 bill is Effective June 1, 2015:

HB203 Vehicle Laws – Title Fees – Rental Vehicles

This bill establishes a permanent title fee for a rental vehicle. The fee will decrease from \$100.00 to \$50.00 and applies to rental classes only: ARL, DRL, ERL, FRL, GRL, and MRL.

The following bills are Effective October 1, 2015:

HB201 Vehicle Laws – Special Registration Plates and Parking Placards for Individuals with Disabilities – Licensed Physical Therapists

This bill authorizes a licensed physical therapist to certify that an individual has specified medical conditions that allow the individual to apply to MVA for the assignment of special disability registration plates or a temporary or permanent disability parking placard. The Act requires the State Board of Physical Therapists to maintain a database that MVA may use to verify licensure of a physical therapist.

HB235 Vehicle laws – Manufacturers and Distributors – Sale of Electric or Nonfossil – Fuel Burning Vehicles

This bill authorizes the sale of electric or nonfossil vehicles directly to retail buyers by manufacturers or distributors that obtain a Maryland dealer license. The bill authorizes a vehicle manufacturer or distributor to be licensed as a dealer if the manufacturer or distributor deals only in electric or nonfossil-fuel burning vehicles; no other dealer holds a franchise from the manufacturer or distributor; and there is no cross-ownership between manufacturers or distributors licensed as dealers in the State. The bill allows for the issuance of four dealer licenses for manufacturers or distributors.

HB313 Vehicle Laws – Dealers – Financing or Leasing Agreements

This bill requires require a motor vehicle dealer that sells or leases a vehicle before the approval of dealer-arranged financing to provide notice of the rights and duties of the dealer and buyer or lessee, a signed copy of which must be provided before delivery of the vehicle. The dealer is required to provide notice in writing of the disapproval of any financing within four days of vehicle delivery. The buyer or lessee must then return the vehicle within two days of receipt of the written notice, after which the vehicle is subject to repossession.

The bill does not prohibit a renegotiation of financing or leasing terms on return of the vehicle, but specifically authorize the dealer, buyer or lessee, to cancel the transaction. On cancellation, the dealer must return any trade-in vehicle in the same condition as it was received, down payment, titling fee, excise tax paid, and dealer processing charge, and any other fee, tax, or charge associated with the transaction, and the dealer is prohibited from charging any fee for the use of the vehicle. The bill also requires the dealer to maintain required security for a vehicle until the terms of a financing or lease agreement are approved. A buyer or lessee may not waive these rights. A violation of the bill is an unfair and deceptive trade practice under the Maryland Consumer Protection Act, subject to that Act's civil and criminal penalty provisions.

HB524 Vehicle Laws - Single Registration Plate – Class L (Historic) Vehicles and Class N (Street Rod) Vehicles

This bill requires issuing a single registration plate for Class L (Historic) vehicles or Class N (Street Rod) vehicles that were manufactured at least 50 years before the current model year.

HB1229 Commercial Motor Vehicles – Denial, Cancellation, Suspension, or Revocation of Registration

This bill authorizes MVA to deny, cancel, suspend, or revoke the registration of a commercial motor vehicle if the carrier responsible for the safety of the vehicle is subject to an out-of-service (OOS) order or another federal operating authority sanction or the federal Department of Transportation determines that the carrier has attempted or is attempting to operate under a new identity to avoid compliance with specified sanctions or being linked with a negative compliance history. A sanction under the bill must continue until the OOS order or federal sanction has been lifted and the carrier is allowed to resume operations.

HB630 Mechanical Repair Contracts

This bill alters the definition of a “mechanical repair contract” to include an agreement or contract sold by an obligor under which the obligor agrees to perform any of several services enumerated in the bill, which generally pertain to the repair, replacement, or maintenance of a vehicle, including, among other things, towing, rental and emergency road service, and road hazard protection. The bill requires the obligor specified in a mechanical repair contract to annually register with the Insurance Commissioner, providing specified registration information and a \$25 annual fee and to file each mechanical repair contract along with evidence that the obligor maintains adequate insurance reserves with the Insurance Commissioner. Except as

subject to Commissioner approval, but the Commissioner may investigate and determine whether a mechanical repair contract is in compliance under specified circumstances. Pending a hearing, the Commissioner may issue an order that suspends use of a mechanical repair contract for specified reasons. The bill prohibits a person that sells a mechanical repair contract from making specified false, deceptive, or misleading statements, either directly or indirectly. The Insurance Commissioner is authorized to deny registration to an applicant or refuse to renew or to suspend or revoke a registration for committing specified violations and may impose a civil penalty of at least \$100 and up to \$1,000 for each violation. The Insurance Commissioner is authorized to pursue action against an unregistered person that offers a mechanical repair contract for a misdemeanor penalty of up to \$1,000, up to one year imprisonment, or the payment of restitution. The obligor of a mechanical repair contract executed on or before October 1, 2015, is required to register with the Insurance Commissioner within 90 days of the date that the registration application is made available. A person that is not engaging in mechanical repair contract transactions on October 1, 2015, is required to register with the Commissioner before offering a mechanical repair contract.

The following bill is Effective January 1, 2016:

HB717 Vehicle Laws – Evidence of Required Security – Carrying While Operating Vehicle

This bill allows the operator of a motor vehicle, moped or motor scooter to carry evidence of specified required security on paper or in an electronic format when operating the motor vehicle

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