D-09-18-01

Date: September 14, 2018

Bulletin: Title Services

From: Business Licensing and Consumer Services

RE: Revised Bond Requirement

Effective October 1, 2018, HB 1065 Vehicle Laws – Title Service Agents affects the surety bond amount requirement and the ability to retain a percentage of the excise tax collected for title transactions.

As a result of this bill:

1. The surety bond amount required for title services will be increased from $25,000 to $50,000 per business. **The increased bond amount of $50,000 must be in effect no later than October 1, 2018.**

2. A title service agent that, on behalf of the Administration, collects and remits the vehicle excise tax imposed may keep the lesser of $12 per vehicle or 0.6% of the gross excise tax that the title service agent collects.

3. The bill also provides that 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.

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For more information on the bill, please visit
http://mgaleg.maryland.gov/2018RS/bills/hb/hb1065F.pdf

If you have any questions or concerns, please contact us at (410) 787-2950 or email at mvablcspd@mva.maryland.gov.