

Maryland Automobile Dealers Association Fall 2019



Agenda

- ▶ **Opening and Welcome**
 - ▶ **Index Questions**
- ▶ **MDOT MVA Auditing**
- ▶ **MDOT MVA Investigations Division**
- ▶ **Break**
- ▶ **Business Licensing Updates**
- ▶ **Questions**

MDOT MVA Internal Auditing

➤ **ERT Sticker & Tag Accountability**

- Accountable and Accessible

➤ **Taxable Selling Price**

- Dealer Processing Fees

- Manufacturer's Rebates

- Legislative Auditor Mandates

➤ **Trade-Ins Per COMAR 11.15.33.05**

- Trade in allowance

- Proof of Ownership for trade-in vehicle

➤ **Spot Delivery**

- Transportation Article, Title 15, Section 15-113.3



➤ **Miscellaneous**

- Used vehicle inspection
- Title lateness improvement
- Itemize fees
- Charger appropriate fees



➤ **Record Retention**

- Vehicle sales records= 3 years in paper, or electronically IF readily available

➤ **Vehicle Registered as Rental Vehicles**

- Improperly registering vehicles as rental vehicles, impacts registration fee and excise tax

MDOT MVA Investigations Division



MDOT MVA Business Licensing Updates

Business Licensing and Driver Instructional Services Leadership

Division Manager- LaCheryl E. Jones

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Business, Salesmen, and Title Agent Licensing and Renewals-

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Recent Bulletins

Date: June 17, 2019

Bulletin: All Dealers and Title Services

From: Business Licensing and Consumer Services

RE: UPDATE: Process for Dealer/Tag and Title Services

Effective July 1, 2019. To better serve our licensees at all full service MDOT MVA branches the below changes will be in effect for all licensed Dealers and Tag and Title Services.

- Tag and Title agents are able to process work Monday through Friday during normal operating hours, **including** the first and last day of the month
- Tag and Title agents can process 5 pieces of work per day, per office location, walk-in transactions (T1- T5) that cannot be processed on the ERT system. The transactions must be put together in the following order (Top to Bottom):
 1. MDOT MVA Transmittal Sheet
 2. MVTA Cover Sheet **or** ERT Screen Shot to document the inability to process on ERT
 3. All remaining paperwork pertaining to the transaction
- **This work must be presented to the MDOT MVA no later than 10:00 a.m. to be returned the same business day (4:30 p.m.). All work submitted after 10:00 a.m. will be accepted and returned by the end of the next business day (4:30 p.m.).**

Helpful Information We Want You to Know



Sign up for bulletins!

<http://www.mva.maryland.gov/businesses/bulletins/indexall.htm>

Update your contact information? Why is this important?

HOT TOPIC!!!

Pending Deals

- Should be submitted immediately
- **BY LAW** you must submit Pending Transactions within 30 days for Dealerships.
 - §13-113.(e)(2)(ii)
 - Within 30 days of the date of delivery of the vehicle, send or electronically transmit them, together with every other document or data required by §§ 13-104, 13-104.1, and 13-108.1 of this subtitle, to the Administration.
- Those found to be out of compliance may face Administrative sanctions, up to and including ERT termination.

Questions



Questions

We recently received a Notice saying we still owed \$5.33 in excise tax for a deal we did earlier in the year. It stated, “the minimum amount for excise taxes is \$38.40”. The trade on this deal was almost as much as the purchase price of the new car. We submitted the tax on the selling price less the trade value, this was less than \$38.40. We have done other deals where the trade was worth more than the car being purchased and on those, we did not pay an excise tax. Can you clarify this?

A Dealer determines the trade-in allowance that is deducted from the purchase price of another vehicle which can cause the taxes submitted to be less than \$38.40 or even \$0 excise tax paid. For matters like this please contact your ERT representative to help resolve any concern you may have regarding titling and registration processes, fee, etc.

The trade-in allowance is used to determine the “total purchase price” of a vehicle that is used to calculate the excise tax remitted when purchasing another vehicle.

The total purchase price or taxable price of a vehicle is determined by the “certified selling price” (full price of the vehicle purchased before a trade-in allowance is deducted) agreed on by the buyer and the seller, including any dealer processing charges, less an allowance for a trade-in but with no allowance for other nonmonetary consideration.

A trade-in allowance may not be divided or deducted from the purchase price of more than one vehicle

Only one trade-in vehicle can be applied to a sales/lease transaction for purpose of the trade-in allowance deduction.

A vehicle titled in Maryland or out-of-State may be used as a trade-in.

The trade-in allowance shall apply when a vehicle titled to a sole proprietorship is traded-in on a vehicle purchased in the individual name of the sole proprietor (or vice versa) because they are considered legally one and the same.

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The trade-in allowance shall apply when the owner or co-owner of the trade-in vehicle is a relative of the owner or co-owner of the vehicle being purchased. A relative means a spouse, son, daughter, grandchild, parent, sister, brother, grandparent, father-in-law, mother-in-law, or daughter-in-law.

Questions

We have seen a number of trades that come up “out of state title hold”. These customers still have to submit their out of state title to Maryland. We get the out of state title from the lienholder but when we submit it to the Maryland MVA, they send the Maryland title to the customer not to us. We own the car now so why can't you send the title directly to us?

When the MVA issues a certificate of title of a vehicle, it must deliver the certificate of title by mailing it to the owner of the vehicle (owner on record). When the out-of-state title is obtained from the lienholder, submit it to the MVA along with copies of the vehicle buyer's order (showing the vehicle was traded to the dealership), include on dealership letterhead a statement that the vehicle has been traded-in and provide an address where the Maryland title should be mailed:

Maryland Department Of Transportation Motor Vehicle Administration (MDOT MVA)
6601 Ritchie Highway, N.E.
Glen Burnie, MD 21062
Attn: Vehicle Records- Out Of State Title Unit
Room 202

Questions

What is going on with the electronic lien releases from PNC, we can't seem to get them, and we end up having to get a duplicate title.

The MVA has recently been made aware of a problem with PNC not having the ability to release liens electronically and after the matter was brought to our attentions it has since been resolved.

Questions

Can you review how to get a corrected title when the Maryland title has the incorrect miles? The one I have now is a customer who just moved to Maryland from Texas. Maryland issued his title showing 152,000 miles - obviously an estimate. He just traded the car and it only has 151,049. I have a screen shot of the odometer right now. When I called the MVA they said I needed three repair orders which have no way of getting. Is there a way to get the title corrected—maybe have an inspector or someone look at the car and certify the miles.

To determine if an odometer mileage correction can be processed, we will review:

A Notarized Statement from the previous owner stating how the error occurred and the correct odometer mileage at the time of the vehicle sale
Three (3) work repair orders (oil changes, tire rotation, etc.) prior to the vehicle being re-titled.

A signed statement from law enforcement verifying the actual mileage of the vehicle. The statement must include the signature of the officer, their printed name, jurisdiction and badge number.

A Maryland Safety Inspection Certificate.

Questions

Why do I have to clear up all the customers fines, returned checks, etc. to get a duplicate title? Shouldn't they be attached to the customers Soundex number not the title -she doesn't own that vehicle anymore once she trades it.

MVA does not issue a duplicate title to the customer or a dealer duplicate title until the customers has cleared up all fines, returned checks, etc.

Questions

When signing the back of a trade title, should the customer sign their regular signature or should they sign their name as it is shown on the front of the title?

Current name. If it is a Maryland title, we can cross reference the name.

Must vehicle have a safety inspection if person buys vehicle at end of lease?

No, A safety inspection is not required when a leased vehicle titled in Maryland is transferred to the lessee at the end of the lease.

Insurance inquiry, soundex numbers given don't work/customer getting tickets for temp transfer slip.

תודה
Dankie Gracias
Спасибо شكراً
Merci Takk
Köszönjük Terima kasih
Grazie Dziękujemy Děkojame
Ďakujeme Vielen Dank Paldies
Kiitos Täname teid 谢谢
Thank You Tak
感謝您 Obrigado Teşekkür Ederiz
Σας Ευχαριστούμ 감사합니다
ขอบคุณ
Bedankt Děkujeme vám
ありがとうございます
Tack