

Bulletin

D 06-05-01

June 20, 2005

BULLETIN TO:

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

1. SUMMARY OF YEAR 2005 ENACTED LEGISLATION
2. ERT TIPS
3. DEALER LATE TITLING FINES

1. 2005 LEGISLATION

This is a summary list of some of the bills that passed the General Assembly during the 2005 Session that are of interest to Dealers, Dealer's Associations and other MVA licensed businesses.

HB 316 – Vehicle Laws – Motor Vehicles – Low Speed Vehicles – Standards and Restrictions

This bill authorizes the Motor Vehicle Administration (MVA) to register and issue certificates of title for low speed vehicles, but only by electronic application. A low speed vehicle is defined as a four-wheeled electric vehicle that has a maximum speed between 20 and 25 miles per hour. Sellers of low speed vehicles must be licensed as new or used vehicle dealers.

Effective: January 1, 2006 Contact: Karen Hill, Vehicle Registration 410-787-2970
Cheryl Lesage, Business Licensing 410-787-7950

HB 367 – Qualified Hybrid Vehicles – Exemptions from Motor Vehicle Emissions Test and Inspection Requirements

This bill exempts a hybrid vehicle from the State's Vehicle Emissions Inspection Program (VEIP) if its city fuel economy is at least 50 miles per gallon, as rated by the US Environmental Protection Agency. The exemption will remain in effect until September 30, 2009.

Effective: October 1, 2005 Contact: Linda Plsek, Vehicle Emissions 410-787-7734

HB 1309 – Vehicle Laws – Vehicles Temporarily Used in Farming

This bill authorizes the MVA to issue a temporary Class K (farm area) vehicle registration to a vehicle that: 1) is owned by a nonresident under contract with a Maryland farmer to conduct seasonal harvesting; 2) is used to transport perishable

commodities directly between a farm and packing plant for sorting and processing; 3) passes a level 1 safety inspection; and 4) is only operated within a 35-mile radius of where the harvest will occur.

Effective: June 1, 2005 Contact: Sharon Hopkins, 410-787-2975

SB 61 – Vehicle Laws – Trailers and Semi trailers – Registration

This bill allows nonfreight trailers or semi-trailers to be registered with a maximum gross weight limit of 10,001 to 20,000 pounds to be registered in 1,000 pound gross maximum weight ranges (i.e. 10,001 to 11,000 pounds, 11,001 to 12,000 pounds, etc.). This bill stipulates that the \$124 registration fee for a nonfreight or semi trailer of this weight will still apply. The proposed weight classifications only apply to trailers or semi trailers titled on or after October 1, 2005.

Effective: October 1, 2005 Contact: Sharon Hopkins, 410-787-2975

SB 630 – Vehicle Laws – Registration and Parking for Individuals with Disabilities

This bill alters the eligibility requirements for special disability registration plates and parking placards and other provisions pertaining to special disability registration plates and placards and parking for individuals with disabilities.

Effective: January 1, 2006 Contact: Karen Hill, 410-768-7170

SB 0747 Transportation – Vehicle Laws – Maximum Vehicle Width And Length

This bill specifies how length and width for busses, mobile homes and travel trailers is determined and their maximum allowable width and length. It also allows for the restriction of their operation on certain roads as determined by law enforcement.

Effective: October 1, 2005 Contact: State Highway Administration

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 first \$100.00 of processing fee and remit to the Administration for the Maryland residents who title their vehicle in Maryland.

- * Manufacturer's rebates are taxable.

Contact: Rick Bilenky, Auditing 410-768-7049

3. DEALER LATE TITLING FINES

Dealer Late Titling Fines - Necessary Documentation to Substantiate a Reduction

- * DATE OF DELIVERY

The "Delivery Date" on the Application for Certificate of Title Form VR-5 should match the date on the Temporary Tag Registration, the Transfer Certificate and any other pertinent documents.

- * DATE SUBMITTED TO THE MVA

The "date received by the MVA" is stamped on the Transmittal Sheet. If the date submitted is not stamped on the transmittal, contact local Branch Supervision **immediately**. If the dealership is disputing a fine, the dealership **MUST** provide a copy of the MVA Validated Transmittal Sheet with the stamped date that the transaction was received by the MVA when requesting a reduction.

- * RERUNS

A completed Rejection/Resubmission Form CS-225 should accompany all transactions rejected by the MVA. If you are not receiving this form, please contact local Branch Management immediately.

The original Rejection/ Resubmission Form CS-225 should accompany the transaction when it is resubmitted and a copy retained by the dealership.

You **MUST** provide a copy of the Rejection/Resubmission Form CS-225 that reflects the original "date submitted to the MVA" and the reason for rejection for consideration for fine reduction. **TRANSMITTAL SHEETS ALONE ARE NOT ACCEPTABLE.**

- * TRANSACTIONS ORIGINALLY TO BE PROCESSED OUT OF STATE

Customer was to title the vehicle in another state, but has come back to the dealer to title the vehicle in Maryland. Dealer must provide a copy of the Residency Verification Form CS-006.

Contact: Steve Galuska, 410-787-7954



Charles D. Schaub, Manager
Business Licensing and Consumer Services

CDS/dp