

Maryland Automobile Dealers Association Spring 2017

Presented by The MDOT Motor Vehicle Administration
Committed to Safety, Service and You



What's Happening at the MDOT MVA

- Recent Legislation
- What we want you to know
- Dealer Audit Tidbit
- Questions

Legislation 2017

HB122 -Motor Vehicle – Electronic Inspection Certificates for Used Vehicles – Sunset Extension

HB406\SB393 - Clean Cars Act of 2017

HB756 - Vehicle Laws Annual Vehicle Shows

HB1360\SB449 - Estates and Trusts – Vehicle Transfers – Excise Tax and Fee Exemption

SB57 - Income Tax Credit – Class F Vehicles – Modification and Extension

HB23\SB341 - Vehicle Laws - School Vehicles - Definition

HB176\SB299 - Motor Vehicle Registration – Exception for Golf Carts – Golden Beach Patuxent Knolls

HB492 - Vehicle Laws – Certificate of Title -Transfer-on Death Beneficiary Designation

HB1120 - Vehicle Laws - Dealers - Performance Standards

HB1150 - Vehicle Laws - Off-Highway Recreational Vehicles

SB34 - Motor Vehicles - Leased Vehicles - Inspections, Insurance, and Excise Tax

HB 122

Motor Vehicle – Electronic Inspection Certificates for Used Vehicles – Sunset Extension

- This bill extends the transmission of Electronic Maryland Safety Inspections Certificates from June 30, 2017 to June 30, 2020.

Effective June 1, 2017

HB 406 \

SB 393

Clean Cars Act of 2017

- These bills extend the termination dates of the qualified plug -in electric drive vehicle excise tax credit and the Electric Vehicle Recharging Equipment Rebate Program through fiscal 2020.
- The vehicle must meet the following conditions to qualify for excise tax credit:
 - Has not been modified from the original manufacturer specifications;
 - Is acquired for use or lease by the taxpayer and not for resale;
 - Has a total purchase price not exceeding \$60,000;
 - Has a battery capacity of at least 5.0 Kilowatt -Hours
 - Is purchased new and titled for the first time on or after July 1, 2017, but before July 1, 2020;
 - Credit is limited to the acquisition of one plug -in electric vehicle per individual, or 10 per business entity
 - A credit “may not be claimed” for a vehicle unless the vehicle is registered in this State.
- The excise credit is calculated as follows:
 - The product of \$100.00 times the kilowatt -hours of the battery capacity of the vehicle not to exceed \$3,000.
 - Vehicles with 30 kilowatt-hours and above will only qualify for the maximum credit allowed of \$3,000.
- With respect to the Electric Vehicle Recharging Equipment Program, the bills (1) increase the annual maximum amount of the rebates available in fiscal 2018, 2019, and 2020 to 1.2 million and (2) alter the calculation and reduce the maximum values of the rebates (reduction amounts vary on items),

Effective July 1, 2017

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.
 - All used motorcycles must be Maryland safety inspected by an authorized Maryland Inspection Station prior to the delivery to a Maryland resident.
- 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.
- Form 300 A Annual Motorcycle Show will be available via our website.

Effective July 1, 2017

HB 1360 \

SB 449

Estates and Trusts – Vehicle Transfers – Excise Tax and Fee Exemption

- This bill exempts excise tax and title fee may not be imposed for transactions where meeting the requirements under Maryland Estates and Trusts Article 14.5-1001, as follows: (1) the transferor of a motor vehicle “could” transfer ownership to a “person” excise tax exempt under 13-810 of Maryland Vehicle law, but instead chooses to transfer ownership, without consideration, to a trust naming that person as a beneficiary in the trust; (2) a trust can transfer ownership of a vehicle to a person(s) named as the beneficiary in the trust, if that person(s) would have been excise tax exempt under 13-810, if the vehicle would have been transferred directly to that person, by the transferor of the vehicle to the trust; (3) The transfer is made during the life of the Settler of the trust and the trustee of the trust original acquired the vehicle for adequate consideration.
- The title transaction will be excise tax and title fee exempt under the following conditions:
- The Maryland title is assigned to or from a trust naming a beneficiary who would be excise tax exempt under 13-810(C) 1, 2, or 4.
 - 1 is a spouse, son, daughter, grandchild, parent, sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law;
 - 2 is the niece or nephew of the trustee who was at least 65 years old; or
 - 4 is the legal heir, legatee, or distributee.
- The motor vehicle being placed in the name of a trust was purchased and is currently owned by one of the trustees

Note: Copy of the portion of trust agreement naming the trust, identifying the trustee, and naming the beneficiaries must be submitted with the title work.

Effective July 1, 2017

SB 57

Income Tax Credit – Class F Vehicles – Modification and Extension

- For the purpose of making modifications to the State income tax credit for the expense of registering Class F Tractors in the State; requiring a taxpayer to obtain a tax credit certificate from the Motor Vehicle Administration (MVA) to receive the credit; requiring the MVA to issue tax credit certificates of a certain amount for each qualified vehicle; limiting the total amount of tax credit certificates the MVA may issue to any taxpayer and to all taxpayers in a taxable year. Applicable to all taxable years beginning after December 31, 2016 but before January 1, 2020.
 - In the amount of \$400.00 for each Class F tractor registered during the taxable year
 - During any taxable year, the MVA may not issue a total amount of tax credit certificates amounting to more than:
 - \$10,000 to any one taxpayer; or
 - \$500,000 to all tax payers.
 - Applications (Need fillable form with FEIN/Taxpayers ID/Social Security Number) submitted to the MVA will be approved:
- If qualifications for a tax credit certificate are met; on a first come, first served basis; and
- When the tax credit certificates are presented to the Comptroller for credit against the State Income Tax:
 - The credit allowed may not exceed the State Income Tax for that taxable year, and
 - Any unused amount of the credit may not be carried over to any other taxable year.
- Each taxable year, on or before January 31, the MVA must report to the Comptroller on the tax credit certificates issued.
- To apply there will be a process via our website.

Effective July 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 Knolls

- The bills allow an exception from motor vehicle registration requirements under certain circumstances for golf carts in the community of Golden Beach Patuxent Knolls in St. Mary's County.
- A person may operate the golf cart only on a highway:
 - On which the maximum posted speed limit does not exceed 35 miles per hour,
 - between dawn and dusk, and
 - and if the golf cart is equipped with lighting devices approved by the Administration. The operator of the golf cart shall keep it as far to the right of the roadway as feasible and
 - The golf cart must be kept as far to the right of the roadway as feasible, and
 - Driver shall possess a valid driver license.

Effective October 1, 2017

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.
- A “sole” owner of a vehicle titled in Maryland is allowed to indicate a beneficiary on their title.
- The Application for Certificate of Title will include a space for the name and address of the beneficiary.
- When the title is printed, the name of the owner will show with the letters TOD (which stands for Transfer on Death) after their name.
- The owner of the vehicle has full control over the vehicle during their lifetime, may apply for liens on the vehicle, and they can even sell the vehicle if they choose to do so.
- A sole owner of a vehicle that is already titled in their name may also designate a beneficiary by completing form VR-471, Beneficiary Designation For Vehicle Title and submit with a duplicate title application.
- After the death of the vehicle owner, the person named as beneficiary may bring the title into the MVA to have the title transferred into their name.
- The title does not have to be signed by the owner..
- The beneficiary will need a certified copy of the death certificate or MVA's record will need to display an owner deceased flag.

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:
 - steering wheel,
 - roll over protective structure,
 - occupant retention system,
 - non straddling seating,
 - a maximum speed capability exceeding 30 miles per hr.,
 - An overall width of less than 80 inches, exclusive of accessories, and
 - An engine displacement of less than 1,000 cubic centimeters, and
 - Is commonly known as a side-by-side utility vehicle.
- 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.
- 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.

Effective October 1, 2017

What We
Want You
To Know



ERT Soundex



Requirements

- Copy of the individuals out-of-state driver's license. We can only accept drivers license for the continental United States, Guam, Puerto Rico, and U.S. territories.
- Copy of the VR-5 with the customer's name (i.e. full first, middle and last name), date of birth and Maryland address
- Documents can now be sent via email to the following mailbox ERTsoundex@mva.maryland.gov or they can be faxed to the ERT unit at (410) 424-3629 or (410) 768-7070 and it must contain a coversheet including the sender's name and telephone number.
- Depending on the number of request, it could take 48 to 72 hours.

The ERT Unit will contact you via email when the soundex has been issued

How to Apply to become a Electronic Lien Service

The screenshot shows the Maryland Motor Vehicle Administration (MVA) website. The browser address bar displays 'Web Slice Gallery' and 'MVA'. The website header includes 'MARYLAND DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE ADMINISTRATION' and 'En Español'. A search bar is present with the text 'Find services, agencies and more'. The navigation menu includes 'HOME', 'LOCATIONS', 'DRIVERS', 'VEHICLES', 'BUSINESSES', and 'ONLINE SERVICES'. The 'ONLINE SERVICES' menu is expanded, showing options like 'Interactive Title & Registration Manual', 'Licensed Maryland Tag & Title Services', 'More', 'Insurance Contact Registry', 'eFR-19 Insurance Agent Login', and 'Salvage Certificate'. The 'Electronic Lien Services' link is highlighted with a red underline and a red arrow pointing to it. A yellow crash test dummy is visible on the right side of the page.

MARYLAND DEPARTMENT OF TRANSPORTATION
MOTOR VEHICLE ADMINISTRATION

Find services, agencies and more

HOME LOCATIONS DRIVERS VEHICLES BUSINESSES ONLINE SERVICES

Bulletins
Electronic Registration and Titling (ERT)
Insurance Contact Registry
Interactive Title & Registration Manual
Licensed Maryland Tag & Title Services
More

Electronic Lien Services
Consumer Tips to Purchasing A Vehicle
eFR-19 Insurance Agent Login
Salvage Certificate

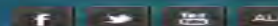
Dealers
Dealer Seminars

• Renew Vehicle Registration
• Renew License
• Check Wait Time At Local Service Center
• FIRST driver / learner / moped / license or ID Card?
Schedule An

MD PROUD
Maryland's New License Plate



MARYLAND DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE ADMINISTRATION



Find services, agencies and more



- HOME
- LOCATIONS
- DRIVERS
- VEHICLES
- BUSINESSES
- SAFETY
- ONLINE SERVICES

MVAonline A New Way to MVA

START HERE

Dealers 5

- > Consumer Tips to Purchasing A Vehicle
- > Dealers Information
- > Dealer Seminars
- > Dealer Support Center
- > Dealer Temp Tags FAQs

Documents 5

- > Interactive Business Licensing Manual
- > Interactive Title and Registration Manual
- > Print On Demand Temporary Tags
- > Forms
- > Investigative Division Complaint Forms

Services 8

- > Electronic Lien Services
- > Electronic Registration and Titling (ERT)
- > Title Service Agents
- > Title Service Seminars
- > Licensed Maryland Tag & Title Services
- > Towing
- > Transporter or Finance Companies
- > Special Mobile Equipment

Others 3

- > Bulletins
- > Investigations
- > Additional Information

Electronic Lien Services (ELS)



The Maryland Motor Vehicle Administration (MVA) is pleased to inform lien holders of the opportunity to contract with specified vendors for Electronic Lien Services (ELS). By signing up with a vendor, you receive electronic notifications of liens recorded on your behalf on Maryland titles, and submit lien releases electronically to the vendor for submission to the MVA.

To contract with a vendor for ELS Service and or apply for a lien code please use the following form and contact the vendor of your choice below.

[Application for Lien Code Assignment and/or Enrollment/Change in Electronic Lien System \(Form VR-488\)](#)

Please email completed forms to mvaelsinfo@mdot.state.md.us or fax to Central Liens at 410-768-7594.

The following vendors have contracted with the MVA to provide Electronic Lien Service:

Dealertrack Collateral Management Services

9750 Goethe Road
Sacramento, California, 95827
(916) 368-5300 Option 7 – Sales
Email: cms_sales@dealertrack.com
Website: www.dealertrack.com

Decision Dynamics, Inc.

1324 North Lake Dr.
Lexington, SC 29072
Phone: (803) 808-0117
Email: info@etitlelien.com
Website: www.etitlelien.com

PDP Group, Inc.

10909 McCormick Road
Hunt Valley, MD 21031
Office: (800) 666-3008
Fax: (410) 584-0404
Email: contact@simplyelt.com
Website: <http://www.simplyelt.com>

Secure Title Administration, Inc

2975 Breckinridge Blvd Suite 200
Duluth, Georgia, 30096
(866) 742-1488
Email: securetitleinfo@secureTA.com
Website: <http://info.secureta.com>

Please email completed forms to mvaelsinfo@mdot.state.md.us or fax to Central Liens at 410-768-7594.



Application for Lien Code Assignment and/or Enrollment/Change in Electronic Lien System

This form is to be used by financial institutions and other lien holders to enroll in the Maryland Motor Vehicle Administration's (MVA) Electronic Lien System (ELS), or to modify an ELS account with MVA. This form is also used to request a lien code.

A ACTION REQUESTED – To Be Completed By Financial Institution/Lien holder

This application is for (check appropriate box/boxes):

- Lien code assignment (Complete section B)
- Enrollment in ELS Program – (Complete sections B and C)
- Change of Vendor/Service Provider – (Complete sections B and C)
- Removal from ELS Program – (Complete sections B and C)
- Change of Financial Institution/Lien holder Name – (Complete section B)
- Change of Financial Institution Address – (Complete section B)

B LIEN HOLDER INFORMATION – To Be Completed By Financial Institution/Lien holder

Name of Financial Institution/Lien holder _____ FEIN _____ ABA Number _____

Address _____ City or Town _____ State _____ Zip Code _____ LIEN CODE (if already assigned) _____

Name of Authorized Representative: (please print) _____ Capacity: _____ Signature of Authorized Representative below: _____

Email Address: _____ Telephone Number: _____ Date: _____

Name of ELS Vendor/Service Provider: _____

MVA USE ONLY
Lien code assigned _____ Date _____
Signature _____
Operator # _____

C ELS VENDOR/SERVICE PROVIDER AUTHORIZATION – To Be Completed By ELS Vendor/Service Provider

ELS Contract Authorized By: (Printed Name) _____ (Signature) _____ Capacity _____

Email Address of Contact Person: _____ Telephone Number: _____ Enrollment/Removal Date: _____
 Start _____ End _____

- Financial institutions must complete Sections A and B, then forward this form to the selected vendor/service provider.
- This completed application must be submitted to the MVA by the authorized ELS vendor/service provider named in Section C, unless this request is for an assigned lien code only. Please email completed forms to mvaelsinfo@mdot.state.md.us or fax to Central Liens at 410-766-7594.

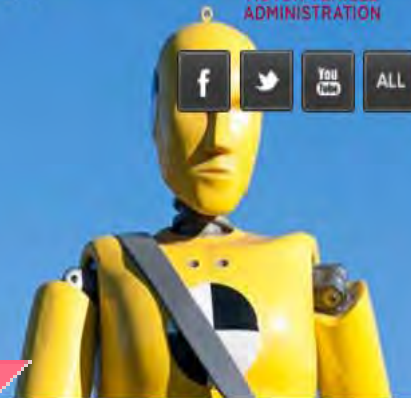
- Participating lien holders agree to the following conditions and requirements:**
- The lien holder must contract with one of MVA's approved ELS service providers for transmission of all vehicle and title data.
 - The lien holder must provide the lien code assigned by MVA, to all loan recipients and automotive dealers utilizing selected lien holder services.
 - The lien holder must work directly with the contracted service provider's Help Desk to resolve all ELS discrepancies and data transmission issues.
 - The lien holder must protect the confidentiality of the information and data to which the lien holder has access. At no time will the lien holder furnish to any person, association or organization any vehicle or title data received from MVA without MVA's prior written consent.
 - The lien holder has no proprietary rights to the information received from the MVA.
 - The lien holder understands that MVA and its employees shall not be liable to the lien holder for any damages, costs, lost production or any other loss of any kind for failure of MVA's equipment, hardware or software, or for the loss of consequential damages that are the result of any other type of failure.
 - Authorization may be terminated by either party upon giving 30 days written notice to the other party. In the event of termination, MVA is released from any and all obligations to the lien holder.



MARYLAND DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE ADMINISTRATION



MOTOR VEHICLE ADMINISTRATION



- HOME
- LOCATIONS
- DRIVERS
- VEHICLES
- BUSINESSES
- ONLINE SERVICES

| | | | |
|---|---|--|---|
| <ul style="list-style-type: none"> Bulletins Electronic Lien Services Dealers | <ul style="list-style-type: none"> Electronic Registration and Titling (ERT) Consumer Tips to Purchasing A Vehicle Dealer Seminars | <ul style="list-style-type: none"> Insurance Contact Registry eFR-19 Insurance Agent Login Salvage Certificate | <ul style="list-style-type: none"> Interactive Title & Registration Manual Licensed Maryland Tag & Title Services More |
|---|---|--|---|

- Renew Vehicle Registration
- Renew License
- Check Wait Time At Local Service Center
- FIRST driver / learner / moped / license or ID Card? Schedule An



Maryland's New License Plate

How to Receive Bulletins Electronically



MARYLAND DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE ADMINISTRATION



MVAonline A New Way to MVA

START HERE

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Documents **5**

Services **8**

Others **3**

Bulletins



Please [subscribe](#) to receive the Dealer/Title Service Bulletins via email.



Dealer/Title Service Bulletins

- March 17, 2017- Regulation Changes
- March 9, 2017- Revised Electronic Safety Inspection Receipt
- December 12, 2016 - Fraudulent Inspections
- September 30, 2016 - All Dealers & Tag & Title Services
- September 30, 2016 - Trade-In Allowance
- September 15, 2016 - Financing or Leasing Agreements
- September 12, 2016 - Excise Tax Credit for Plug-In Electric Vehicles
- September 8, 2016 - New License Plate - Maryland Proud
- August 29, 2016 - Excise Tax Credit for Plug-In Electric Vehicles
- August 11, 2016 - Revision to the July 15, 2016 Tag & Title Services Bulletin

[Dealers](#) **6**[Documents](#) **5**[Services](#) **7**[Others](#) **3**

Subscribe to MVA Dealer Bulletins



If you would like to receive MVA Dealer Bulletins via e-mail from the Maryland Motor Vehicle Administration (MVA), please enter the requested information below. The MVA will not share your information and will only use it to send you important MVA Dealer Bulletins.

Mailing List Subscription

Please complete the form below to sign up for this mailing list. To update or cancel current subscriptions, use the link below.

[Update/Cancel Subscriptions](#)

Subscribe to Email List:

Dealer Bulletins

Email Address:

Dealership or Company Name:

Contact Person:

Job Title or Capacity:

Telephone Number:

Dealer Number:





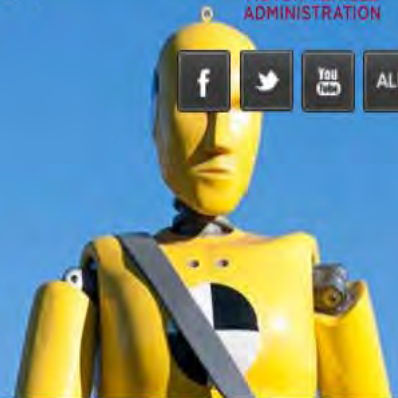
MARYLAND DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE ADMINISTRATION



MOTOR VEHICLE ADMINISTRATION



Find services, agencies and more



- HOME
- LOCATIONS
- DRIVERS
- VEHICLES
- BUSINESSES**
- SAFETY
- ONLINE SERVICES

Bulletins

Electronic Registration and Titling (ERT)

Electronic Lien Services

Consumer Tips to Purchasing A Vehicle

Dealers

Dealer Seminars



Insurance Contact Registry



eFR-19 Insurance Agent Login



Salvage Certificate

Interactive Title & Registration Manual

Licensed Maryland Tag & Title Services

More

- Renew Vehicle Registration
- Renew License
- Check Wait Time At Local Service Center
- FIRST driver / learner / moped / license or ID Card? Schedule An



Maryland's New License Plate

Interactive Titling & Registration Manual



INTERACTIVE TITLE AND REGISTRATION MANUAL

**FOR DEALER'S / TITLE SERVICES / VEHICLE
PROGRAMS**

The Motor Vehicle Administration is pleased to provide online guidance to dealers and title services. This manual is intended to assist you with the proper completion of your transactions, increase accuracy and reduce rejections of work. The information provided will increase the efficiency of processing work, which leads to greater customer service and satisfaction.

Timely Submission of Title Transactions

- Procedures include:
 - Contacting dealers with late transactions by email.
 - Send letters to principal owner(s) if the transactions are not completed after the timeframe given in the initial contact.
 - In some cases the transactions may be transmitted without funds and funds may be requested from the bonding company.
 - In extreme cases we may remove you from ERT.

- **Note. There has been significant improvement in finalizing deals. Please continue to work with and respond to any emails sent by your ERT representative to complete deals. Also, your vendor should be providing you anytime access to view your late deals.**

Submit Title
Work to the
MDOT MVA
as soon as the
customer
transaction has
been finalized

****FROM TOP TO BOTTOM****



Maryland MVA Title/Registration Receipt
Registration card (if tag transferred)
Application for Certificate of Title (VR-005)
Certificate of Origin, Title, or other acceptable ownership document
Lien Release-Notice of Security Interest Filing
Dealer Reassignments
Bill of Sale/Gift Form
Miscellaneous MVA Forms
Odometer Disclosure Statements (VR-197)
Maryland Safety Inspection Certificate
Vehicle Emission Report (if submitted)

- **Please assemble forms in proper order**
- **Do not fold forms**
- **Do not use an excessive number of staples**
- **Do not use highlighters**

**Must be mailed or
delivered to the Glen
Burnie Branch Office
Room 202**

ERT Transactions that can be processed electronically

- New title and tags (T1)
- New title and transfer of tags (T2)
- New title and transfer with renewal of tags (T3)
- New title only (T5)
- Title for ATV's-Need to use Class D, enter NR in the inspection field and enter AT for body style.
- New tag registration (NR)
- Standard renewal (SR)
- Replacement tag renewal (RT)
- Substitute tags (ST)
- Duplicate registration (DU)
- Duplicate title, Form VR-018 (DT) (Transmit only)
- Duplicate title, Form VR-003 (Transmit only)
- Administrative Flag fee (AF)
- Can utilize mailing address, mail address shows on title
- Soundex issuance with proper documents must fax Driver License, ID card, Military ID from this country with Driver License to MVA ERT Unit (otherwise transaction needs to be submitted to the MVA Branch Office)
- Tag return
- Transfer tags (TT) after it's been titled
- Transfer with renewal (TR) after it's been titled

ERT
Transactions
that cannot
be processed
electronically

- No salvage transactions
- No branding of titles (can only brand for *CAL LEV*, Leased Vehicles and odometer A, B or C) A TITLE REQUIRING ANY OTHER BRAND “MUST” BE TAKEN TO THE MVA FOR PROCESSING.
- No VIN plate assignment
- No new issuance of personalized or organizational tags, only transfer of personalized or organizational tags
- No taxi (class B), no limousine (class Q), no ambulance/funeral (class C)
- No state and local government (not new or transfer)
- No law enforcement
- No tax exempt for business (mergers, reorganizations, newly formed, dissolutions)
- No tax exempt –individual transferring to intervivos trust
- No excise tax credit for new residents
- No out of country- (gray market vehicles)
- No registration correction (RC)

Excise Tax Taxable Items

- Retail Purchase Price
- Shipping or Freight Charges
- After Manufacture Items Included With The Vehicle At Time of Purchase
- Manufacturer Rebates
- Full Amount Charged for Processing Fee by Dealer

Excise Tax Non-Taxable Items

- Dealer Discounts or Rebates
- Extended Warranties
- Mechanical Repair Contracts
- Federal Excise Tax
- Electronic Registration Fee
- Trade-in Allowance
- Equipment installed to accommodate a disabled person

Secure Email Message

- The Motor Vehicle Administration (MVA) is implementing a process to protect confidential data. This protection includes encryption for data in email messages or attachments being sent from and to, the MVA.
- In the very near future you will be required to establish a secure email gateway, before sending any confidential PII data.
- This process will be used for the request of soundex numbers.
- “You have a Secure Email Message from jsmith@mdot.state.md.us<<mailto:jsmith@mdot.state.md.us>>.”
- MDOT will store your message for 30 days, and then it will be removed and no longer available to be viewed.
- To establish this secure, encrypted connection, you must follow the instructions in the following ‘**Read Message**’ link.
- Upon accessing the “Read Message”, you will be required to establish a password. Once completed, you can read/send encrypted confidential information from this email address to the sender at MDOT”.
- After completing this process and establishing your new secure, encrypted connection, you may send emails with confidential PII data to the MVA.

Secure Email Message

- If the user forgets their password, they can use the "Forgotten Your Password" link at the MDOT Secure Web Portal logon page. After successfully answering their challenge questions, they can enter a new password.
- If the user has forgotten their password AND forgotten the answers to their challenge questions, then they have to request an account reset from the NMS System Team. The link is at the bottom of the secure web mail message
- Unfortunately, the challenge questions may not be reset your account will be deleted and a new account must be created. The deletion of the account would delete any current messages they have.

Secure Email Message



MDOT Secure Web Mail

Secure Web Mail: [ENCRYPT] this is a new one

You have a Secure Web Mail message from abaker5@mdot.state.md.us.

MDOT will store your message for 30 days, then it will be removed and no longer available to be viewed.

To establish this secure, encrypted connection, you must follow the instructions in the following "Read Message" link.

A copy will be stored on securemail3.mdot.maryland.gov for 30 days, then will be removed.

[Read Message](#)

Upon accessing the "Read Message", you will be required to establish a password. Once completed, you can read/send encrypted confidential information from this email address to the sender at MDOT.

You will be required to sign in to read this message.

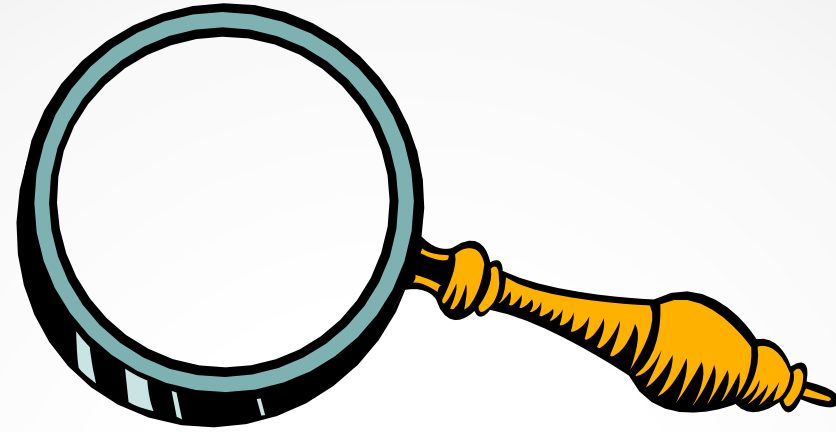
You should not respond to this automatically generated message.

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If you require assistance your Secure Web Mail administrator can be contacted on: [MDOT NMS Systems Team](#)

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Auditing



Dealer Tidbits

Temporary Tags

- Only 1 temporary registration certificate can be issued to any individual for same vehicle. No temporary registration certificate can be issued for a courtesy delivery. Dealers should keep some kind of record denoting which temporary tags were issued.

Inspection Certificate/ Form

- A used vehicle should be inspected on or before the date of delivery.
- Inspection certificates are valid for six months from date of inspection or until 1,000 miles have been added to the odometer.

Dealer Tidbits

ERT Sticker & Tag Accountability

- During our routine audits and ERT audits might visit your dealerships and attempt to account for one or a series of metal plates and or stickers. All sensitive items should be accounted for. The dealership should have a log or ledger or perpetual records whichever best suits the dealership. Any stolen sticker or tag should be reported to the ERT Unit, Business Licensing & your local Law Enforcement. Voided inventory should be documented properly and retained for audit purposes.
- In some instances registration materials are kept locked but all business employees have access to the secured areas. Keep access limited to necessary employees only.

Taxable Selling Price

- The dealer processing fees stays is \$300.00. This fee is taxable and should be included in the taxable selling price. This dealer-processing fee should be clearly identified and not included as a lump sum on the dealer's buyer's orders and sales invoices. For out-of- state dealers there is no limit to the dealer processing fee, however, the whole amount should be included in the taxable selling price.
- Manufacturer's rebates are taxable and should be included in taxable selling price.
- Internal Auditing is mandated by the Legislative Auditors to expand dealership audits that have excise tax due based on numerous instances or fraud.

Dealer Tidbits

Trade-Ins per Comar 11.15.33.05

- The amount of the trade-in allowance that is deducted from the purchase price may not exceed the trade-in value indicated in the national publication of used car values adopted for use by the Administration. If the dealer has any documentation to substantiate the higher trade-in value they should provide this to the auditor.
- The trade-in allowance shall be limited to the vehicle with the highest trade-in value.
- A trade-in allowance may not be divided or deducted from the purchase price of more than one vehicle.
- Check proof of ownership of trade-in vehicle.

Dealer Tidbits

Spot Delivery

- Transportation Article, Title 15, Section 15-311.3 requires a dealer selling a vehicle to a customer to provide notice to the customer that arranged financing of a third party institution has not been finalized as of the date of delivery.
- The dealer must notify the buyer in writing within 4 days of the date of delivery if the vehicle sale is cancelled.
- Also, the buyer has two days of receipt of this written notice to return the vehicle to the dealer in the same condition except for normal wear and tear.

Dealer Tidbits

- Dealer processing fees not included in taxable selling price (30%)
- Overcharging of registration fees in more than 70% of audits.
- Selling price discrepancies, error, and minimum selling price. (25%)
- Itemized fees to clearly label registration fees, lien fees, electronic fees, etc. (35%)
- Sales persons must have active license to sell vehicles. (few audits)
- Title lateness improved greatly down to 10%.
- Salvage vehicle brand. (few audits)
- A used vehicle should be inspected on or before the date of delivery.

Questions and Answers

1) Please review the new tax credit for electric vehicles. Also, when is it effective and what if we sell the car a few days before that and do the tag work after the effective date?

This was answered in the legislation.

2) When finalizing a used car deal and the error message comes back that the mileage on the MVA file is greater than entered by the dealership, how do we get it corrected when the MSI report and the e-inspection from MD State Police show a lesser mileage? It seems that if the inspector makes an error, there is no way to correct it on MVA's system but there is on the State Police site.

The transaction will need to be brought into the MVA so a correction can be made to the system to accept the correct mileage.

Questions and Answers

3) Have asked this question in the past and received different responses when I send work to MVA. When requesting a lienholder correction due to the incorrect lienholder code being entered at the time of finalizing a deal, is it a \$20 or \$50 fee? I have been given both responses. I have sent \$50 and received a \$30 voucher back. I have sent \$20 and have had the work returned to me for being \$30 short. I think it depends on what department receives the work. I always address it to Central Liens, but when I get it back due to a fee shortage, it comes from the Correction Unit. So I assume it was forwarded to that department. What is the proper procedure for resolving this? I send the title, incorrect SIF and a copy of all the original title work papers showing the intended lienholder at the time of sale.

This is considered as recording a lien and anytime that is performed the charge is \$20 unless it is a MVA error.

Questions and Answers

4) When is it necessary to use a prior use disclosure on a new car sale? Is there a specific mileage that we need to be aware of?

Whenever a dealer has specific knowledge about the previous use of a vehicle it should be disclosed to the perspective buyer and mileage does not come into play.

5) Is it okay to process an electronic transaction for a “Trust” deal if the trust has an existing Soundex number? If so, do we still need to send a copy of the trust agreement since it would already be on file at the MVA? We have always been told to walk all “Trust” deals but my title clerk called Glen Burnie last week and she was told it was okay to process electronically.

Yes, you may process a trust with an existing soundex number and a copy of the trust documentation naming the trustee and beneficiary must be submitted with the transaction. A new trust should be submitted to the MVA.

6) What is the proper way to assign Repo Titles?

When the purchaser submits the existing Security Interest Filing (form #VR-002), the three sections on the back entitled Certification of Repossession, Assignment of Ownership, and Application for Title and Registration, respectively, must be properly completed and signed.

Questions and Answers

7) How do we figure prorated fees when transferring tags?

Transfer tag fee is \$10.00. When transferring tags to a vehicle with a higher weight, the difference in the fees should be charged (ie. -3700 to +3700, the fee for the transfer is $\$153 - \$101 = \$52.00$). Depending on the timeframe of the transaction the additional fee could range from \$26 to \$52.

8) Why weren't we informed about the secure password for ERT Soundex?

This was included in the MADA 2016 presentations and is included in the presentation.

9) How come we weren't informed about the changes to title app concerning the trade disposition?

The title application last change was August 2016 for the disposition we will make sure in the future all changes are communicated.

Questions and Answers

10) Why would a title clerk need a sales license to pick up work? Being told this from counter/ banks are holding titles/SIF's for longer than 30 days/tell us that they can do what they want also the banks won't talk to us due to privacy laws.

All dealers, dealer runners, and tag and title service agents need to present proper identification at the time the work is submitted for drop off, pick up, or walk-in processing. Proper identification is as follows: a licensed tag and title service ID, or; a Maryland gratis salesman's license (issued to an officer or owner of the company) in addition to a photo driver's license, or; a copy of the wall license and a photo driver license, or; a vehicle salesman's Maryland or Out of State photo license; or, a dealer runner permission letter/power of attorney from the dealer (on letterhead) authorizing a runner to drop off/pick up work and a photo driver license. Any dealer work that is mailed into the branch office must also have a copy of the dealer license included

We have been informed some banks do not keep SIF's onsite. Please make your request as soon as possible.

11) Are we still using the form CS-124 (60-day) temp tag registration permits? If not, what do we do if the customer wants to transfer tags and has a violation? Issue a temp tag and then once they resolve the violation, put their old tags on the vehicle?

Yes, form CS-124 temp tag registration permit is still being used. Future process will be to automate this transaction.