

# HOUSE BILL 996

R4  
HB 855/07 – ENV

8lr2228

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By: **Delegates Boteler, Aumann, Frank, Impallaria, Kach, McDonough, Minnick, Niemann, Shewell, Sossi, Stein, Stull, and Weir**  
Introduced and read first time: February 7, 2008  
Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Title Service Agents – Fees**

3 FOR the purpose of requiring the Motor Vehicle Administration to refuse to issue a  
4 certificate of title for a vehicle or to register or transfer the registration of a  
5 vehicle if the vehicle’s owner fails to pay a required fee to a licensed title service  
6 agent under certain circumstances; requiring a title service agent, under certain  
7 circumstances, to provide certain notice to a motor vehicle owner regarding  
8 failure to pay a certain fee; directing the Administration to flag the records  
9 relating to a motor vehicle if the vehicle’s owner fails to pay a certain fee;  
10 directing the Administration to impose flag fees on a vehicle owner who fails to  
11 pay a title service agent for services rendered; providing for the application of  
12 this Act; and generally relating to fees and title service agents.

13 BY repealing and reenacting, with amendments,  
14 Article – Transportation  
15 Section 13–110 and 13–406  
16 Annotated Code of Maryland  
17 (2006 Replacement Volume and 2007 Supplement)

18 BY adding to  
19 Article – Transportation  
20 Section 15–608  
21 Annotated Code of Maryland  
22 (2006 Replacement Volume and 2007 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article – Transportation**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1 13-110.

2 The Administration shall refuse to issue a certificate of title of a vehicle if:

3 (1) The application contains any false or fraudulent statement;

4 (2) The applicant has failed to furnish information or documents  
5 required by statute or regulations adopted by the Administration;

6 (3) Any required fee has not been paid **TO THE ADMINISTRATION OR**  
7 **TO A TITLE SERVICE AGENT, LICENSED UNDER TITLE 15, SUBTITLE 6 OF THIS**  
8 **ARTICLE;**

9 (4) The applicant is not entitled to a certificate of title under the  
10 Maryland Vehicle Law; or

11 (5) The Administration has reasonable grounds to believe:

12 (i) That the applicant is not the owner of the vehicle;

13 (ii) That the issuance of a certificate of title to the applicant  
14 would be a fraud against another person; or

15 (iii) That the vehicle does not comply with Title 2, Subtitle 11 of  
16 the Environment Article or any regulation adopted under that subtitle.

17 13-406.

18 The Administration shall refuse to register or transfer the registration of any  
19 vehicle if:

20 (1) The application contains any false or fraudulent statement;

21 (2) The applicant has failed to furnish information or documents  
22 required or requested by the Administration;

23 (3) Any required fee has not been paid **TO THE ADMINISTRATION OR**  
24 **TO A TITLE SERVICE AGENT, LICENSED UNDER TITLE 15, SUBTITLE 6 OF THIS**  
25 **ARTICLE;**

26 (4) The applicant is not entitled to registration of the vehicle under the  
27 Maryland Vehicle Law;

28 (5) The vehicle is mechanically unfit or unsafe to be operated on the  
29 highways;

30 (6) The registration of the vehicle is suspended or revoked;

1           (7) A warrant for a motor vehicle violation under the Maryland  
2 Vehicle Law has been issued against the applicant and has not been served on the  
3 applicant;

4           (8) Subject to § 13–406.1 of this subtitle, the applicant is named in an  
5 outstanding arrest warrant;

6           (9) The Administration has reasonable grounds to believe:

7                   (i) That the vehicle is stolen;

8                   (ii) That the grant or transfer of registration would be a fraud  
9 against another person; or

10                   (iii) That the vehicle does not comply with Title 2, Subtitle 11 of  
11 the Environment Article or any regulations adopted under that subtitle; or

12           (10) The gross vehicle weight is 55,000 pounds or over and the  
13 applicant has failed to furnish proof of payment of the Federal Heavy Vehicle Use Tax.

14 **15–608.**

15           **(A) BEFORE RENDERING SERVICES FOR A FEE ON BEHALF OF A MOTOR**  
16 **VEHICLE OWNER, A TITLE SERVICE AGENT LICENSED UNDER THIS SUBTITLE**  
17 **SHALL NOTIFY THE OWNER THAT, IF THE OWNER FAILS TO PAY THE FEE WITHIN**  
18 **30 DAYS:**

19                   **(1) THE TITLE SERVICE AGENT IS REQUIRED TO NOTIFY THE**  
20 **ADMINISTRATION OF THE FAILURE TO PAY THE FEE;**

21                   **(2) THE ADMINISTRATION MAY:**

22                           **(I) REFUSE TO ISSUE A CERTIFICATE OF TITLE FOR THE**  
23 **VEHICLE UNDER § 13–110 OF THIS ARTICLE; OR**

24                           **(II) REFUSE TO REGISTER OR RENEW THE REGISTRATION**  
25 **OF THE VEHICLE UNDER § 13–406 OF THIS ARTICLE; AND**

26                   **(3) THE ADMINISTRATION MAY IMPOSE ADDITIONAL FEES**  
27 **RELATING TO THE FAILURE TO PAY THE FEE.**

28           **(B) IF A MOTOR VEHICLE OWNER FAILS TO PAY AN AUTHORIZED FEE TO**  
29 **A TITLE SERVICE AGENT LICENSED UNDER THIS SUBTITLE WITHIN 30 DAYS**  
30 **AFTER THE FEE WAS IMPOSED, THE TITLE SERVICE AGENT SHALL PROMPTLY**  
31 **NOTIFY THE ADMINISTRATION OF THE OWNER’S FAILURE TO PAY THE FEE.**

1           **(C) (1) ON RECEIPT OF A NOTICE UNDER SUBSECTION (B) OF THIS**  
2 **SECTION, THE ADMINISTRATION SHALL FLAG ITS RECORDS REGARDING THE**  
3 **MOTOR VEHICLE THAT IS THE SUBJECT OF THE NOTICE AND INDICATE IN THE**  
4 **RECORDS THAT:**

5                           **(I) A REQUIRED FEE FOR THE MOTOR VEHICLE HAS NOT**  
6 **BEEN PAID; AND**

7                           **(II) THE VEHICLE IS SUBJECT TO ADMINISTRATIVE ACTION**  
8 **UNDER § 13-110(3) OR § 13-406(3) OF THIS ARTICLE.**

9                   **(2) (I) THE ADMINISTRATION SHALL REMOVE A FLAG PLACED**  
10 **IN A VEHICLE RECORD ON RECEIPT OF PROOF SATISFACTORY TO THE**  
11 **ADMINISTRATION THAT THE FEE HAS BEEN PAID.**

12                           **(II) A MOTOR VEHICLE OWNER MAY PROVE THAT THE FEE**  
13 **WAS PAID BY PRESENTING:**

14                                   **1. A RECEIPT FROM THE TITLE SERVICE AGENT;**

15                                   **2. A CANCELED CHECK PAYABLE TO THE TITLE**  
16 **SERVICE AGENT;**

17                                   **3. A BANK STATEMENT THAT SHOWS THE PAYMENT**  
18 **OF THE FEE TO THE TITLE SERVICE AGENT;**

19                                   **4. A CREDIT CARD STATEMENT THAT SHOWS THE**  
20 **PAYMENT OF THE FEE TO THE TITLE SERVICE AGENT; OR**

21                                   **5. A RECEIPT FOR OR COPY OF A MONEY ORDER**  
22 **PAYABLE TO THE TITLE SERVICE AGENT FOR THE FEE.**

23                   **(3) (I) THE ADMINISTRATION SHALL IMPOSE A REASONABLE**  
24 **FLAGGING FEE TO COVER ITS COSTS INCURRED IN FLAGGING A RECORD OR**  
25 **REMOVING A FLAG UNDER THIS SUBSECTION.**

26                           **(II) THE ADMINISTRATION MAY NOT IMPOSE A FEE UNDER**  
27 **THIS PARAGRAPH ON A MOTOR VEHICLE OWNER WHOSE RECORDS WERE**  
28 **FLAGGED IN ERROR.**

29           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
30 construed to apply only prospectively and may not be applied or interpreted to have

1 any effect on or application to any motor vehicle record with respect to a fee charged  
2 for the first time by a licensed title service agent before the effective date of this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2008.