

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 23

(Senator Young)

Judicial Proceedings

Vehicle Laws - Title Service Agents - Out-of-State Vehicle Registrations

This bill prohibits title service agents (including agents and employees of title service agents) from performing services related to out-of-state vehicle registrations or registration plates.

Fiscal Summary

State Effect: The bill has no material impact on Transportation Trust Fund revenues or expenditures.

Local Effect: None.

Small Business Effect: Minimal. The bill makes it more difficult for out-of-state residents to purchase vehicles in Maryland. However, the bill also makes it more difficult for Maryland residents to purchase vehicles in neighboring states. Thus, the overall effect is likely minimal.

Analysis

Current Law: State law defines a “title service agent” as any person in the business of transporting to and from the Motor Vehicle Administration (MVA) certificates of title, registrations, drivers’ licenses, certified copies of records, and other related documents. MVA oversees the licensing process for title service agents.

Background: MVA advises that 355 title service agents in the State provide registration services on its behalf. These agents offer titling and registration services in exchange for a higher fee than MVA would charge. Even so, especially given their prevalence, use of a

title service agent is often a convenient alternative to making an in-person MVA transaction.

In fiscal 2015, MVA issued approximately 1.1 million titles, of which 66% were transmitted to MVA electronically; the remaining 34% involved a physical visit to an MVA facility. MVA advises that it is unable to determine how many transactions were processed through title service agents, as opposed to other walk-in titling transactions.

The State of Maryland has an arrangement with neighboring states involving electronic titling and registration. Most recently, in April 2015, the Maryland Department of Transportation reached an agreement with the Pennsylvania Department of Transportation that allowed car dealers and agents to electronically title and register vehicles in the other state. Prior to the agreement, Marylanders who purchased a vehicle in Pennsylvania (and vice versa) were required to take all paperwork back to their home state to title and register the vehicle. The agreement allows a vehicle owner to avoid returning to their home state by permitting Pennsylvania car dealers to electronically title and register vehicles in Maryland and for Maryland car dealers to electronically title and register vehicles in Pennsylvania. Maryland has similar agreements with Virginia and Delaware. The bill may negate these reciprocity agreements.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

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min/ljm

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