

Chapter 176

(Senate Bill 681)

AN ACT concerning

**Motor Vehicles – Inspection Certificates – Exception**

FOR the purpose of exempting the transfer of a used vehicle from a business entity to ~~an individual who wholly or partly owns the business entity~~ a majority owner of the business entity from the requirement to obtain a motor vehicle safety inspection certificate under certain circumstances; and generally relating to the inspection and transfer of used vehicles.

BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 23–106(a)(8) and (9)  
Annotated Code of Maryland  
(2020 Replacement Volume)

BY adding to  
Article – Transportation  
Section 23–106(a)(10)  
Annotated Code of Maryland  
(2020 Replacement Volume)

BY repealing and reenacting, without amendments,  
Article – Transportation  
Section 23–106(b) and 23–107(a)(1)  
Annotated Code of Maryland  
(2020 Replacement Volume)

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

**Article – Transportation**

23–106.

(a) This section does not apply to:

(8) Any transfer of an off–highway recreational vehicle; [or]

(9) Any transfer of a leased vehicle to the lessee at the end of the lease term; **OR**

**(10) ANY TRANSFER OF A USED VEHICLE FROM A BUSINESS ENTITY TO ~~AN INDIVIDUAL WHO WHOLLY OR PARTLY OWNS THE BUSINESS ENTITY~~ THE MAJORITY OWNER OF THE BUSINESS ENTITY IF:**

**(I) THE VEHICLE IS PRIMARILY DRIVEN BY THE MAJORITY OWNER OF THE BUSINESS ENTITY; AND**

**(II) THE BUSINESS ENTITY HAS BEEN DISSOLVED OR IS IN THE PROCESS OF DISSOLUTION.**

(b) (1) Except as provided in paragraphs (4) and (5) of this subsection, if any licensed dealer that also is an inspection station transfers any used vehicle, it shall:

(i) Prepare an inspection certificate; or

(ii) Have an inspection certificate prepared by another inspection station.

(2) Except as provided in paragraphs (4) and (5) of this subsection, if any other person transfers a used vehicle, the person shall obtain an inspection certificate from an inspection station.

(3) If a used vehicle is transferred other than by voluntary transfer or is transferred by a political subdivision of the State after that subdivision obtains the vehicle by proceedings pursuant to Title 12 of the Criminal Procedure Article, the transferee shall obtain the inspection certificate from an authorized inspection station.

(4) In the case of a transfer of any used vehicle registered, or to be registered, as a Class E (truck) exceeding three-fourths ton manufacturer's rated capacity, Class F (tractor), Class G (freight trailer or semitrailer), or Class G (dump service semitrailer) vehicle, the transferor or the transferee of the vehicle may obtain the required inspection certificate.

(5) In the case of a transfer of any used vehicle registered or to be registered, that is sold for dismantling or rebuilding purposes, the transferor or the transferee of the vehicle may obtain the required inspection certificate.

23-107.

(a) (1) Before the Administration titles and registers any used vehicle, except a Class L (historic) vehicle, it shall require a valid inspection certificate for the vehicle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.

**Approved by the Governor, May 18, 2021.**