

SENATE BILL 1021

R4, Q5

9lr3266

By: **Senator Ready**

Introduced and read first time: February 28, 2019

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Title Service Agents – Electronic Collection and Remission of**
3 **Vehicle Excise Taxes**

4 FOR the purpose of authorizing a title service agent to electronically collect and remit
5 certain vehicle excise taxes under certain circumstances; and generally relating to
6 electronic collection and remission of vehicle excise taxes by title service agents.

7 BY repealing and reenacting, without amendments,

8 Article – Transportation

9 Section 13–610

10 Annotated Code of Maryland

11 (2012 Replacement Volume and 2018 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Transportation

14 Section 15–608

15 Annotated Code of Maryland

16 (2012 Replacement Volume and 2018 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Transportation**

20 13–610.

21 (a) (1) In this section the following words have the meanings indicated.

22 (2) “Fleet” means 10 or more vehicles.

23 (3) “Qualified owner” means a person, partnership, firm, or corporation, or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 an individual agent of a person, partnership, firm, or corporation, authorized by the
2 Administration to transmit electronically proper titling and registration information and
3 fees to the Administration.

4 (4) "Service provider" means a dealer or title service agent licensed under
5 Title 15 of this article or a qualified owner of a fleet.

6 (b) Subject to the approval of the Administration, a service provider may:

7 (1) Issue permanent registration plates to the transferee or renew the
8 registration of a vehicle if the service provider has electronically transmitted the proper
9 titling and registration information to the Administration, or an agent designated by the
10 Administration; and

11 (2) Charge the transferee or the registered owner of the vehicle a fee for
12 the actual cost to the service provider of the electronic transmission service described in
13 item (1) of this subsection.

14 (c) The Administration shall adopt regulations to:

15 (1) Govern the electronic transmission of titling and registration
16 information authorized under this section; and

17 (2) Determine the appropriate level of the fee that may be charged by
18 service providers for the electronic transmission service.

19 15-608.

20 (a) A title service agent that, on behalf of the Administration, collects and remits
21 the vehicle excise tax imposed under Title 13, Subtitle 8 of this article may keep the lesser
22 of \$12 per vehicle or 0.6% of the gross excise tax that the title service agent collects.

23 (b) Each title service agent that collects any tax or fee required for titling a vehicle
24 shall:

25 (1) Keep complete and accurate records of each taxable sale, together with
26 a record of the tax collected on the sale;

27 (2) Keep copies of every invoice, bill of sale, and other pertinent documents
28 and records, in the form that the Administration requires; and

29 (3) Preserve these records in original form for at least 3 years, unless the
30 Administration consents in writing to their earlier destruction or, by order, requires that
31 they be kept for a longer period.

32 (c) **IF A TITLE SERVICE AGENT ELECTRONICALLY TRANSMITS THE PROPER**
33 **TITLING AND REGISTRATION INFORMATION TO THE ADMINISTRATION IN**

1 ACCORDANCE WITH § 13-610 OF THIS ARTICLE, THE TITLE SERVICE AGENT MAY
2 ELECTRONICALLY COLLECT AND REMIT THE VEHICLE EXCISE TAX IMPOSED UNDER
3 TITLE 13, SUBTITLE 8 OF THIS ARTICLE.

4 (D) Each title service agent that collects any tax or fee required for titling a vehicle
5 shall, during business hours, allow any representative of the Administration and any police
6 officer full access to the documents and records required to be kept under subsection (b) of
7 this section.

8 [(d)] (E) If the Administration finds that the records of a title service agent are
9 inadequate or incorrect and that the amount of excise tax collected for the Administration
10 on these sales cannot be determined accurately from the records:

11 (1) The Administration shall determine the taxable sales facilitated by the
12 title service agent for the period involved and compute the tax from the best information
13 available; and

14 (2) The determination and computation of the Administration are prima
15 facie correct.

16 [(e)] (F) (1) If, under subsection [(d)] (E) of this section, the Administration
17 determines the taxable sales of vehicles facilitated by the title service agent and computes
18 the tax due, the Administration shall:

19 (i) Levy an assessment against the title service agent for the
20 deficiency, interest, and penalties in the manner authorized in §§ 13-401, 13-601, and
21 13-701 of the Tax – General Article; and

22 (ii) Notify the title service agent of the tax due and the amount of
23 the deficiency assessment.

24 (2) If the title service agent fails to pay the tax and assessment within 10
25 days after receiving the notice from the Administration, the Administration may levy, in
26 addition to the tax and assessment, a penalty equal to 25% of the tax due.

27 [(f)] (G) If a title service agent fails to keep any records of sales of vehicles, the
28 Administration may compute the tax due as provided in § 13-407 of the Tax – General
29 Article.

30 [(g)] (H) All amounts received from a title service agent under this section shall
31 be credited:

32 (1) First, to any penalty and interest accrued under this section; and

33 (2) Then, to the tax due.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2019.