

HOUSE BILL 1315

R6

1lr2505
CF SB 681

By: **Delegate Fraser-Hidalgo**

Introduced and read first time: February 8, 2021

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 2021

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicles – Inspection Certificates – Exception**

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

8 BY repealing and reenacting, with amendments,
9 Article – Transportation
10 Section 23–106(a)(8) and (9)
11 Annotated Code of Maryland
12 (2020 Replacement Volume)

13 BY adding to
14 Article – Transportation
15 Section 23–106(a)(10)
16 Annotated Code of Maryland
17 (2020 Replacement Volume)

18 BY repealing and reenacting, without amendments,
19 Article – Transportation
20 Section 23–106(b) and 23–107(a)(1)
21 Annotated Code of Maryland
22 (2020 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

1 semitrailer) vehicle, the transferor or the transferee of the vehicle may obtain the required
2 inspection certificate.

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

6 23–107.

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.