

SENATE BILL 768

R4

8lr3745
CF HB 1065

By: **Senator Ready**

Introduced and read first time: February 5, 2018

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 31, 2018

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Title Service Agents**

3 FOR the purpose of authorizing a title service agent that collects and remits vehicle excise
4 taxes on behalf of the Motor Vehicle Administration to keep the lesser of certain
5 amounts of the gross vehicle excise taxes collected by the title service agent;
6 requiring a title service agent that collects any vehicle titling taxes or fees to keep
7 certain records related to the vehicle sales, preserve the records in a certain manner,
8 and make the records available to the Administration and law enforcement in a
9 certain manner; requiring the Administration to follow certain procedures and
10 impose certain assessments under certain circumstances on a title service agent if
11 the Administration finds that the records of the title service agent are inadequate or
12 incorrect; authorizing the Administration to compute the collected tax due from a
13 title service agent in a certain manner if the title service agent fails to keep any
14 records of vehicle sales; requiring the Administration to credit funds received from a
15 title service agent in a certain manner; increasing to a certain amount the required
16 surety bond that a title service agent is required to file with the Administration;
17 clarifying that a title service agent may transport certain documents to or from the
18 Administration physically or electronically; altering a certain definition; and
19 generally relating to title service agents.

20 BY repealing and reenacting, with amendments,
21 Article – Transportation
22 Section 15–601 and 15–604
23 Annotated Code of Maryland
24 (2012 Replacement Volume and 2017 Supplement)

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.



BY repealing and reenacting, without amendments,
Article – Transportation
Section 15–602
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY adding to
Article – Transportation
Section 15–608
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Transportation

15–601.

(a) In this subtitle the following words have the meanings indicated.

(b) “License” means a title service agent’s license issued by the Administration under this subtitle.

(c) (1) “Title service agent” means any person in the business of **PHYSICALLY OR ELECTRONICALLY** transporting to and from the Administration certificates of title, registrations, drivers’ licenses, certified copies of records, and other related documents.

(2) “Title service agent” does not include a licensed dealer or employee of a licensed dealer who conducts the activities described in paragraph (1) of this subsection only on behalf of the business of that dealer.

15–602.

A person may not conduct the business of a title service agent unless the person is licensed by the Administration under this subtitle.

15–604.

(a) This section does not apply to:

(1) A licensed dealer who is in compliance with the surety bond requirement of Subtitle 3 of this title; or

(2) A motor club that is in compliance with the surety bond requirement of § 26–204 of the Insurance Article.

(b) After the Administration notifies an applicant of the approval of an application and before the Administration issues a license, the applicant shall file with the Administration a surety bond in the form and with the surety that the Administration approves.

(c) The amount of the surety bond shall be [~~\$25,000~~] **\$50,000**.
15-608.

(A) A TITLE SERVICE AGENT THAT, ON BEHALF OF THE ADMINISTRATION, COLLECTS AND REMITS THE VEHICLE EXCISE TAX IMPOSED UNDER TITLE 13, SUBTITLE 8 OF THIS ARTICLE MAY KEEP THE LESSER OF \$12 PER VEHICLE OR 0.6% OF THE GROSS EXCISE TAX THAT THE TITLE SERVICE AGENT COLLECTS.

(B) EACH TITLE SERVICE AGENT THAT COLLECTS ANY TAX OR FEE REQUIRED FOR TITLING A VEHICLE SHALL:

(1) KEEP COMPLETE AND ACCURATE RECORDS OF EACH TAXABLE SALE, TOGETHER WITH A RECORD OF THE TAX COLLECTED ON THE SALE;

(2) KEEP COPIES OF EVERY INVOICE, BILL OF SALE, AND OTHER PERTINENT DOCUMENTS AND RECORDS, IN THE FORM THAT THE ADMINISTRATION REQUIRES; AND

(3) PRESERVE THESE RECORDS IN ORIGINAL FORM FOR AT LEAST 3 YEARS, UNLESS THE ADMINISTRATION CONSENTS IN WRITING TO THEIR EARLIER DESTRUCTION OR, BY ORDER, REQUIRES THAT THEY BE KEPT FOR A LONGER PERIOD.

(C) EACH TITLE SERVICE AGENT THAT COLLECTS ANY TAX OR FEE REQUIRED FOR TITLING A VEHICLE SHALL, DURING BUSINESS HOURS, ALLOW ANY REPRESENTATIVE OF THE ADMINISTRATION AND ANY POLICE OFFICER FULL ACCESS TO THE DOCUMENTS AND RECORDS REQUIRED TO BE KEPT UNDER SUBSECTION (B) OF THIS SECTION.

(D) IF THE ADMINISTRATION FINDS THAT THE RECORDS OF A TITLE SERVICE AGENT ARE INADEQUATE OR INCORRECT AND THAT THE AMOUNT OF EXCISE TAX COLLECTED FOR THE ADMINISTRATION ON THESE SALES CANNOT BE DETERMINED ACCURATELY FROM THE RECORDS:

(1) THE ADMINISTRATION SHALL DETERMINE THE TAXABLE SALES FACILITATED BY THE TITLE SERVICE AGENT FOR THE PERIOD INVOLVED AND COMPUTE THE TAX FROM THE BEST INFORMATION AVAILABLE; AND

1 **(2) THE DETERMINATION AND COMPUTATION OF THE**
2 **ADMINISTRATION ARE PRIMA FACIE CORRECT.**

3 **(E) (1) IF, UNDER SUBSECTION (D) OF THIS SECTION, THE**
4 **ADMINISTRATION DETERMINES THE TAXABLE SALES OF VEHICLES FACILITATED BY**
5 **THE TITLE SERVICE AGENT AND COMPUTES THE TAX DUE, THE ADMINISTRATION**
6 **SHALL:**

7 **(I) LEVY AN ASSESSMENT AGAINST THE TITLE SERVICE AGENT**
8 **FOR THE DEFICIENCY, INTEREST, AND PENALTIES IN THE MANNER AUTHORIZED IN**
9 **§§ 13-401, 13-601, AND 13-701 OF THE TAX – GENERAL ARTICLE; AND**

10 **(II) NOTIFY THE TITLE SERVICE AGENT OF THE TAX DUE AND**
11 **THE AMOUNT OF THE DEFICIENCY ASSESSMENT.**

12 **(2) IF THE TITLE SERVICE AGENT FAILS TO PAY THE TAX AND**
13 **ASSESSMENT WITHIN 10 DAYS AFTER RECEIVING THE NOTICE FROM THE**
14 **ADMINISTRATION, THE ADMINISTRATION MAY LEVY, IN ADDITION TO THE TAX AND**
15 **ASSESSMENT, A PENALTY EQUAL TO 25% OF THE TAX DUE.**

16 **(F) IF A TITLE SERVICE AGENT FAILS TO KEEP ANY RECORDS OF SALES OF**
17 **VEHICLES, THE ADMINISTRATION MAY COMPUTE THE TAX DUE AS PROVIDED IN §**
18 **13-407 OF THE TAX – GENERAL ARTICLE.**

19 **(G) ALL AMOUNTS RECEIVED FROM A TITLE SERVICE AGENT UNDER THIS**
20 **SECTION SHALL BE CREDITED:**

21 **(1) FIRST, TO ANY PENALTY AND INTEREST ACCRUED UNDER THIS**
22 **SECTION; AND**

23 **(2) THEN, TO THE TAX DUE.**

24 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
25 **October 1, 2018.**