

# Bulletin

December 3, 2007

D-12-07-01

**BULLETIN TO:** ALL DEALERS, TITLE SERVICES

**FROM:** Brenda Scheydt, Manager  
Business Licensing and Consumer Services

**SUBJECT:**

1. 2007 Legislation from Special Session
2. Application for and Pick up of Temporary Registration (VR-011)
3. Balance Advertising

## 1. 2007 Legislation from Special Session

This is a summary HB 5 / SB 5 that passed the General Assembly during the 2007 Special Legislative Session. This is of interest to Dealers, Dealer's Associations and other MVA licensed business.

### HB 5 / SB 5 Transportation Investment Act

- Excise Tax increases from 5% to 6% based on "Total purchase price" of the vehicle. "Total purchase price" means the price of a vehicle agreed on by the buyer and the seller, including any dealer processing charge, less an allowance for trade-in. All transactions that are to be processed must be accompanied by a Bill of Sale or Purchase/Buyers Order, which must include the Make, Vehicle Identification Number and State the trade vehicle was last titled in.
- Title fee and corrected title fee for each certificate increases to \$50.
- Duplicate title and Salvage title fees remain \$20.
- The minimum excise tax on non-dealer transactions increases to \$38.40 based on a purchase price of \$640 for a vehicle and \$19.20 based on a purchase price of \$320 for trailers over 7 model years old.

Effective January 1, 2008

Contact - Sarah Moore 410-424-3060

## **2. Application for and Pick up of Temporary Registration (VR-011)**

When completing an Application for Temporary Registration (VR-011) for 60-Day Dealer Temporary tags, the Name and Capacity of the individual signing the application must be printed under their signature.

- Title clerks or other personnel authorized by the Dealership that are signing the Application to purchase 60 Day Dealer Temporary Tags (VR-011) need to have an updated Power of Attorney letter on file at the Branch.
- Anyone picking up Temporary Tags for the Dealership must have an updated Power of Attorney letter on file at the Branch and show valid identification, such as Salesman's License or Driver's License.

## **3. Balance Advertising**

The Administration has noted numerous advertisements that are showing a balance price which reflects the deduction of a trade-in allowance or cash down payment.

COMAR 11.12.01.14 F (1) states, "The amount of the down payment, or the balance after the down payment, may not be stated in such a manner as to permit the impression that it is the selling price of the vehicle". In addition, COMAR 11. 12. 01.14C (2) requires that "The advertised price shall be the full delivered cash price which the customer shall pay, except for taxes and title fees". In the case of new vehicles, the freight charge may be excluded. However, the advertisement shall fully and prominently disclose the fact.

It is important to remember the **selling price** does not require the consumer to provide a down payment or trade to arrive at that figure. If the customer must put money down, or have a trade, then the down payment, or trade, must be deducted from the selling price and reflected in the ad as the **balance price**. The **selling price** must also appear in large print compared to the balance figure.

A disclosure must also appear in the ad when the trade-in is not a guaranteed trade. It is suggested that the disclosure conform to COMAR 11. 12. 01.14G (2) which states "A specific price may not be stated in an advertisement as an offer for a trade-in, if the price stated is contingent upon the conditions, model or age of the prospective buyer vehicle, without so stating in the advertisement".