

Out-of-State Motor Vehicles – Improper Registrations  
(HB 332, Chapter 648, Acts 2024)

A Report to the Governor

The Maryland Department of Transportation

January 2025

This report is written in response to language contained in House Bill 532, Chapter 648, Acts of 2024, titled – *Out-of-State Motor Vehicles – Improper Registration – Report*, which calls on the Maryland Department of Transportation (MDOT) Motor Vehicle Administration (MVA) to submit a report describing:

*“The Motor Vehicle Administration, in consultation with Baltimore City and other interested jurisdictions, shall prepare a report on motor vehicles owned by Maryland residents that are improperly registered in another state.*

*The report shall include:*

- (1) an analysis of the legal basis, both statutory and regulatory, that:
  - (i) requires Maryland residents to obtain Maryland vehicle titles or registrations for motor vehicles owned by them;*
  - (ii) enables Maryland residents to improperly title or register their motor vehicles in other states; and*
  - (iii) allows Maryland residents to lawfully title or register their motor vehicles in other states under certain circumstances, if applicable;**
- (2) a listing of other states that allow Maryland residents to title or register their motor vehicles in their states;*
- (3) an analysis of the incentives that Maryland residents may have to improperly title or register their motor vehicles in other states;*
- (4) current statistics and recent trends on the number of motor vehicles owned by Maryland residents that are improperly titled or registered in other states, in total and by county;*
- (5) a description of:
  - (i) any recent and planned enforcement actions taken or to be taken by the Administration with respect to motor vehicles improperly titled or registered to Maryland residents by other states;*
  - (ii) the number and nature of any misdemeanors charged for failure to obtain a Maryland motor vehicle title or registration that were initiated through an Administration investigation into motor vehicles owned by Maryland residents that are improperly titled or registered in other states; and*
  - (iii) the effectiveness of the enforcement actions;**
- (6) a description of the harms caused by motor vehicles improperly titled or registered to Maryland residents by other states, including decreased State revenue associated with vehicle titling and registration and the circumvention of the Vehicle Emissions Inspection Program;*
- (7) an analysis of motor vehicle insurance issues related to motor vehicles improperly titled or registered to Maryland residents by other states, including:
  - (i) the effect on the uninsured and under-insured driving rates in Maryland;*
  - (ii) the effect on motor vehicle insurance rates in Maryland; and*
  - (iii) how recent changes to Virginia laws governing motor vehicle insurance requirements may affect or have affected these matters and matters related to motor vehicles improperly titled or registered to Maryland residents by Virginia;**

- (8) a comparison with neighboring states of Maryland's laws, enforcement actions, and relevant fee structures on these matters; and*
- (9) recommendations to address motor vehicles improperly titled or registered to Maryland residents by other states, including, as appropriate:
  - (i) any additional penalties or other enforcement mechanisms;*
  - (ii) any possible interstate agreements; or*
  - (iii) any other proposals the Administration considers beneficial, including any legislative or regulatory proposals.**

In Maryland, State law mandates that vehicles must be titled and registered with the MVA for all residents of the State minus certain limited qualifying exceptions such as students, medical patients, or temporary workers (Transportation Article § 13-402.1). Individuals who are not required to register their vehicles in Maryland are required to apply for a 'Non-Resident Permit' which must be displayed in the vehicle. Examples of non-resident exceptions under statute include students, military members, temporary employees, and visitors.

All other residents – including those recently moved to Maryland – must title and register their vehicle within 60-days per Transportation Article § 13-401 and 13-402. Owners of registered vehicles must possess required security in the form of minimum insurance policy coverage levels under Transportation Article § 17-104.

Further, owners of motor vehicles in designated areas in Maryland must adhere to testing of the emissions systems managed by the MVA in partnership with the Maryland Department of the Environment via the Vehicle Emissions Inspection Program (VEIP) as per Transportation Article § 23-202. There are further several sections of law dealing with penalties for failing to register, insure, and complete VEIP testing with varying penalty amounts and other consequences.

While the Maryland Motor Vehicle Administration (MVA) shall only register Maryland customers, the Commonwealth of Virginia permits non-residents to register their vehicles with the Virginia Department of Motor Vehicles (DMV). At present, the MVA was able to determine that surrounding states such as Pennsylvania, West Virginia, and Delaware along with regional states such as New Jersey do not allow non-residents to register a vehicle. The MVA has also determined that the District of Columbia does not allow for non-residents to register a vehicle.

Motorists may choose to register in another state as a result of several factors. Some states offer lower registration fees, lower uninsured penalties, and/or may not require vehicle emissions inspections or have different exemptions for who must participate.

Further incentives may include the ability to avoid consequences of unpaid automated enforcement fines or other sanctions that result in flagging a Maryland vehicle registration, which prevents renewal. By obtaining out-of-state registration, the vehicle cannot be flagged by the other jurisdiction's department or administration with authority over vehicle registrations. This also applies to unpaid toll debt for Maryland tolls, insurance fees owed, in addition to automated enforcement tickets and other types on unpaid moving violations.

Not only is there a highway safety impact from drivers avoiding consequences from dangerous driving behavior, but it also further reduces revenues to Maryland's Transportation Trust Fund (TTF) from the reduced collection of vehicle registration fees.

The MVA has been working with Virginia to identify Marylanders who have registered a vehicle in the neighboring Commonwealth despite being a Maryland resident. In November 2023, the MVA received 101,212 vehicle registration records from the Virginia Department of Motor Vehicles (DMV) where the vehicle owner or co-owner of the vehicle had a Maryland address. In 96,909 of those records, a Maryland address was listed for the primary owner. Of these, 22,251 (23%) were vehicles owned by a business and 77,845 (77%) were vehicles owned by one or more individuals.

Using name and address information from the Virginia registration data received in November 2023, MDOT MVA was able to find probabilistic matches to 33,696 Maryland records where a resident was the primary owner of a Virginia registered vehicle. A targeted mailing was sent to these residences, outlining the vehicle registration requirements under Maryland law, including exemptions, and noting penalties for noncompliance. A later review of registration data identified 809 vehicles that subsequently registered their vehicle in Maryland.

In June 2024, the MVA received a second file from the Virginia DMV which included 111,102 total records where the vehicle owner or co-owner of the vehicle had a Maryland address. The number of records where a Maryland address was listed as the primary owner increased overall by 10.3% to 106,850. The number of vehicles owned by businesses increased by 15.5% and the number of vehicles owned by individuals increased by 8.6%.

With annual passenger vehicle registrations ranging from \$110.50 to \$161.50 (including \$40 surcharge supporting trauma and emergency services), for the individually owned vehicles currently registered in Virginia by a primary Maryland owner represent a potential loss of revenue of between \$8,237,680 and \$12,094,412.

Using data received from Virginia DMV, the MVA was able to match 46,690 vehicle identification numbers (VINs) for passenger vehicles with an individual primary Maryland owner to Maryland records. A breakdown of the Maryland jurisdiction of residence for these vehicles is shown below (next page), with a comparison to the statewide jurisdiction breakdown for all passenger vehicle registrations.

<b>Jurisdiction</b>	<b># of VA Individual Owner Records</b>	<b>% of VA Individual Owner Records</b>	<b>All MD Standard Passenger Registrations</b>
Allegany	45	0.1%	1.2%
Anne Arundel	3,082	6.6%	11.2%
Baltimore	6,852	14.7%	13.0%
Baltimore City	8,647	18.5%	5.3%
Calvert	596	1.3%	1.9%
Caroline	136	0.3%	0.9%
Carroll	423	0.9%	3.6%
Cecil	162	0.3%	1.9%
Charles	2,673	5.7%	3.1%
Dorchester	135	0.3%	0.7%
Frederick	701	1.5%	5.3%
Garrett	9	0.0%	0.6%
Harford	1,107	2.4%	4.8%
Howard	1,454	3.1%	5.5%
Kent	36	0.1%	0.4%
Montgomery	3,625	7.8%	15.7%
Prince George's	14,068	30.1%	13.7%
Queen Anne's	152	0.3%	1.2%
Somerset	250	0.5%	0.4%
St. Mary's	892	1.9%	2.3%
Talbot	91	0.2%	0.9%
Washington	357	0.8%	2.8%
Wicomico	744	1.6%	1.9%
Worcester	453	1.0%	1.3%
<b>Grand Total</b>	<b>46,690</b>	<b>100%</b>	<b>100%</b>

At present, the MVA does not have figures for other states where Maryland residents may have a vehicle improperly titled as obtaining this data is difficult in terms of financial, legal, staff, and time constraints.

Corrective action the MVA has available to it under present law includes:

- Citation – TR § 13-403(a)(1): the MVA may issue a traffic citation that carries a pre-set fine of \$290, or a maximum fine of \$500.
- Tag Removal – TR § 12-110 (a)(3): the MVA has the authority to take possession of another jurisdiction plate that is displayed illegally. The MVA must investigate and have a reasonable basis for concluding that the plate is in violation of TR § 13-401(c) and § 13-402(a) registration requirements.

Upon receipt of an out-of-state registration complaint, MVA Investigations will query the license plate using the National Law Enforcement Telecommunications System to identify the vehicle owner. The investigator will visit the address on record to contact the owner and inform them that they have 60 days (from the date of contact) to register their vehicle with the MVA. If the owner is unavailable or refuses to respond, the Investigator will leave an MVA Form IS-034. [please refer to attachment submitted with report for a copy].

After 60 days, the Investigator will verify whether the customer has complied. If the customer has failed to update their registration, the MVA may issue a traffic citation.

In the event that a customer repeatedly refuses to comply, the MVA may seize the vehicle license plates with the assistance of local/state law enforcement.

<b>Foreign/Bad Tag Cases October 2023 to November 2024</b>	
Month	# of Cases
October	1
November	8
December	3
January	2
February	2
March	8
April	11
May	6
June	21
July	6
August	21
September	19
October	92
November	36
Total	236

In these instances, the owner complied, moved away, was exempt from registering their vehicle in Maryland, had their tags confiscated for non-compliance, was issued a citation or we have placed an “alert” on the owner’s Maryland MVA account to prevent any future MVA transactions until the vehicle owner becomes compliant.

In order to increase education about tags registered outside of Maryland, the MVA organized a presentation at the 2024 Chiefs and Sheriffs conference regarding the statutory requirements, the exemptions outlined in statute and a local jurisdiction presented about the process they use to enforce tags registration out-of-state when the resident lives in Maryland.

In a review of vehicle registration data received from the Virginia DMV in June 2024, 46,690 VINs for passenger vehicles were matched with an individual primary Maryland owner to Maryland records. Among these matched vehicles, 5,246 were associated with 18,930 active derogatory indicators (flags):

Indicator Description	Count
Administrative Fee Due	7,428
ASED Inspection Suspended	4
ASED Tag Pick-Up Order	1
CCU Collection In Progress	1,351
ICD Pick Up Tags	484
Insurance Compliance Lapse	142
Jurisdictional Violation	6,250
Registration Suspended for Insurance Lapse	1,214
Registration Suspended for SERO	254
Registration Suspended for VEIP Requirement	1,563
Safety Equipment Repairs - Pick Up Order (SERO)	237
Salvage Suspended	2
<b>Grand Total</b>	<b>18,930</b>

When a customer fails to resolve an unpaid violation including parking, tolls, automated speed, red-light camera, and so forth, the jurisdiction will notify the MVA. The MVA will add a jurisdictional flag and a \$30 administrative flag fee to the vehicle account. The 7,428 count for “Administrative Fee Due” refers to active administrative flags representing \$222,840 in unpaid fees.

Jurisdictional violations represent uncollected revenue by MDOT and local governmental agencies. Among the 6,250 jurisdictional violations identified, 75% are associated with 10 jurisdictions, as shown below.

Jurisdictional Violation Type					
Jurisdiction	Parking	Speed	Toll	Red Light	Total
City of Baltimore	427	680		576	1683
MD Transportation Authority			895		895
Baltimore County	67	253		111	431
Prince George's County	159			222	381
Seat Pleasant Police		219		156	375
MD State Highway Administration		328			328
Prince George's County Police		227			227
Montgomery County Police		120		38	158
Laurel City Police Department	5	49		84	138
City of College Park	31	100			131

In addition to administrative flag and jurisdictional violations, vehicles registered out-of-state bypass compliance with the State's Vehicle Emissions Inspection Program (VEIP). A review of 48,316 VINs for passenger vehicles with an individual primary Maryland owner showed that up to 40,000 of those vehicles may be subject to VEIP requirements for testing. With VEIP testing costs of \$10 (for self-service kiosk) and \$14 (in station testing), this represents a potential revenue loss of \$400,000 to \$560,000, not inclusive of any late fees that may be assessed.

Similarly, there are negative consequences for motor vehicle insurance coverage caused by residents obtaining improper out-of-state vehicle registration. The rate of uninsured vehicles in Maryland has remained steady between 4.1 and 4.3% over the last 10 years, with some increase during calendar year 2020 to 6.6% when operations were impacted by the novel coronavirus pandemic.

Among the Virginia registration records matched by VIN to a Maryland registration record, 1,214 vehicles had their registration records suspended for insurance lapse violations, representing approximately \$207,400 in assessed fines.

Prior to July 2024, Virginia was one of only two states that did not require insurance for all registered vehicles and allowed drivers to pay a one-time fee of \$500 when obtaining or renewing registration in lieu of acquiring a vehicle insurance policy. This could have been an incentive for Maryland residents to register their vehicles in Virginia rather than comply with Maryland insurance requirements where it is estimated the average full year of minimum coverage would cost a driver \$981 per year. Uninsured vehicles are assessed a \$200 fee for the first 30 days of no coverage and \$7 per day thereafter up to \$3,500 per year following a change to Maryland law that took effect July 1, 2024.

Virginia repealed the option to pay a fee rather than maintain insurance coverage for registered vehicles effective July 1, 2024. All vehicles registered in Virginia are now required to obtain an insurance policy that meets Virginia's liability limits. If Virginia DMV cannot verify the insurance information provided with the insurer, customers must show proof of insurance when requested by the Virginia DMV.



Comparative analysis with the Virginia DMV using data after the implementation of the new law may show impact on ownership and registration patterns among businesses and individuals. According to Maryland Auto, approximately 15% of claims submitted involve a vehicle with an out-of-state registration plate, with approximately half of those involving Virginia plates. Due to limitations of the data, it is not possible to accurately determine what proportion of these vehicles are owned by Maryland residents. An evaluation of tag information provided by the Virginia DMV by Maryland Auto indicated no uninsured motorist claims could be associated with those vehicles, however.

As for an overall cost analysis, Maryland registration fees, excise tax rates, and insurance compliance fines are compared in the below chart (next page) with immediate neighboring states and jurisdictions. The MVA was not able to obtain examples of enforcement actions undertaken by these jurisdictions comparable to the outreach done over the past year enforcing registration requirements.

Fees and Fines Comparison Chart			
	Excise/Sales Tax at titling	Personal Vehicle Standard Registration Fees	Insurance Compliance Fines
<b>Maryland</b>	6%	Class A/M to 3,500 lbs - \$110.50; Class A/M 3,501 to 3,700 lbs - \$120.50; Class A/M 3,701 or more - \$161.50	\$200 for first 30 days, \$7 per day up to \$3,500 per year
<b>District of Columbia</b>	6% - 3,499 lbs. or less; 7% - 3,500 to 4,999 lbs.; 8% - 5,000 lbs or more	Under 3,499 lbs - \$72; 3,500 lbs to 4,999 lbs - \$175 5,000 lbs to 5,999 lbs - \$250	\$150 for first 30 days. \$7 for each additional 30 days up to \$2,500
<b>Virginia</b>	4.15%, plus a local annual property tax against vehicle value	4,000 lbs or less - \$30.75 per year; 4,0001 lbs to 6,500 lbs - \$35.75 per year	Motorists could pay a \$500 to register an uninsured vehicle until July 1, 2024; now they must pay a \$600 non-compliance fee, a reinstatement fee when applicable, and file a SR-22 form with the DMV for three years
<b>West Virginia</b>	6%	\$51.50 per year	First Offense: DL suspension for 30-days with a \$50 reinstatement fee, 90 day suspension for second or more offenses within 5-year period; vehicle plates suspended for second or subsequent violations with reinstatement fee of \$100, additional \$50 fee for state police secure order
<b>Pennsylvania</b>	6%	\$45 per year	3-month suspension or once-per 12-month period a \$500 restoration fee.
<b>Delaware</b>	4.25% documentation fee	\$40 per year	\$100 for 30 days, \$5 per day thereafter

What can be done to address vehicles with improper out-of-state registration tags is a difficult task while jurisdictions such as Virginia continue to allow non-residents to obtain registration tags from their DMVs. However, greater outreach and training initiatives with schools and law enforcement could help in properly identifying violators.

The MVA will work with colleges and universities to ensure information is provided on the need to obtain a non-resident permit from their institutions with more direct links for how to set up an appointment or apply by mail with the consequences for failure to properly obtain a non-resident permit conveyed to them.

Law enforcement could also benefit from more information from the MVA on how to report suspected violators to the Administration and identify a non-resident vehicle needing a proper permit. At present the fine for failure to display a non-resident permit as required under TA § 13-402.1 and for failure to obtain Maryland registration are both set at \$290. Adjusting this citation to potentially be a warning when first issued and to escalate for each subsequent date the vehicle is caught up to the \$290 may help ensure drivers are given a fair timeframe to correct their mistake while allowing law enforcement to more easily address these violators in a timely manner.

Currently the MVA has no additional authority to take action when a resident deliberately ignores Maryland requirements for obtaining Maryland registration.

**Case Study:** In January 2024, residents of Temple Hills, Prince George's County, reported to the MVA that their neighbor had three (3) vehicles with Virginia license plates. MVA Investigators informed the individual that permanent residents must title and register their vehicles in the State of Maryland, but the individual refused to comply. The individual was issued a citation for violating TA § 13-403(a)(1).

In April 2024, the individual contested the citation in court and was found guilty. The judge did not impose any fines, but ordered the individual to register their vehicle with the Maryland MVA. Although the judge did not give a deadline, the MVA Investigators allowed the violator at least 60 days to register his vehicles. He did not comply, so on July 12, 2024, an MVA investigator, with the assistance of Prince George's County Police, seized the Virginia tags from two (2) of his vehicles that were paralleled parked on the street in front of his home. The third vehicle was parked within the curtilage of his home (on his parking pad) so therefore those tags could not be seized. There was no contact or confrontation with Mr. Davis and no additional citations were issued.

The violator subsequently obtained replacement Virginia tags for the vehicles. The Investigator's supervisor consulted with the Prince George's County State's Attorney's Office who declined to petition the court for a filing of contempt against the violator and their office also advised the MVA Investigator not to issue the violator with any additional citations.

## **Conclusion**

The legislature could consider, adding authority for MVA to deny a driver's license renewal or vehicle registration renewal, after proper notice, if an individual maintains any vehicle registration in Virginia. Further, the legislature may consider additional penalties beyond the citation for violation of Transportation Article § 13-403(a)(1). For example, in the State of Maine, operating a vehicle that is not registered for more than 150 days since establishing residency may subject owners to a Class E (misdemeanor) charge.

Finally, another option is stricter compliance of Transportation Article §13-402 by requiring out-of-state vehicles to display a Non-Resident Permit at all times. One enforcement challenge has been properly distinguishing temporary residents versus permanent residents and having sufficient resources to engage vehicle owners over a period of time.

The Maryland MVA will continue to request Virginia DMV records and coordinate with law enforcement agencies and the legislature on appropriate enforcement actions. However, improper vehicle registration will continue to be challenging as long as the Commonwealth of Virginia registers vehicles without residency requirements.

## New to Maryland?

**Welcome to Maryland!** All new residents of Maryland should obtain a Maryland Driver's License and title their vehicle within 60 days of relocating to the state.

**myMVA your way!** Register for an account so you can access your MVA info quickly and easily.

### Get started today!

<https://mva.maryland.gov/about-mva/Pages/new-to-maryland.aspx>



## Need a Non-Resident Permit?

A non-resident permit enables a licensed driver to maintain and operate a vehicle with out-of-state registration for more than sixty (60) days in Maryland, without titling and registering it here. **Eligible applicants include:**

- Students
- Military
- Temporary Employee
- Medical Visitors

### Are you eligible? Learn more here:

<https://mva.maryland.gov/about-mva/Pages/info/27300/27300-60T.aspx>



IS-034 (04-23)



## Are you living in Maryland?

*Register your vehicle!*

**All Maryland residents are required to have their vehicles titled and registered with the state of Maryland.**

You're a Maryland resident if you:

1. Maintain a permanent home in Maryland
2. Own, lease, or rent a primary place of residence in Maryland
3. Reside in Maryland for more than one year, regardless of your home location
4. Maintain a branch office or warehouse facility in Maryland
5. File as a Maryland resident for income tax purposes

### Start your vehicle registration here:

<https://mymva.maryland.gov/go/web/TitleRegPreApp>



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MOTOR VEHICLE ADMINISTRATION