

by the department and executed by the applicant, and either accompanied by the deposit of cash with the department or also executed by a person authorized to conduct a surety business in this State. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the department and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vehicle or on account of any defect in or undisclosed security interest in the right, title, and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond and any deposit accompanying it shall be returned at the end of 3 years or prior thereto if the vehicle is no longer registered in this State and the currently valid certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

(b) Any person who has purchased a used vehicle in another state, and who is entitled to register the vehicle and receive a certificate of title for it in this State except for the fact that no certificate of inspection has been obtained for the vehicle as required by subtitle 13, may apply for the issuance of a certificate of title and for registration of the vehicle in this State, and the department may temporarily register the vehicle and withhold issuance of a certificate of title until a certificate of inspection has been obtained and presented to the department. The department shall prescribe the period during which the temporary registration shall be valid.

(c) When a certificate of title has been issued by another state for a vehicle which is engaged in interstate operation, or when a vehicle engaged in interstate operation is registered in another state, the department, if it determines that it is necessary or desirable to do so, may register the vehicle in this State without delivering a certificate of title, upon submission to the department of documents and supporting statements the department reasonably requires and upon payment of the prescribed fees.

#### § 3-110. Refusing certificate of title.

The department shall refuse issuance of a certificate of title if

1. The department has reasonable grounds to believe that the applicant is not the owner of the vehicle or that issuance of a certificate of title to the applicant would constitute a fraud against another person;
2. The department has reasonable grounds to believe that the application contains a false or fraudulent statement;
3. The applicant fails to furnish required information or documents or any additional information the department reasonably requires;
4. Any required fee has not been paid; or
5. The applicant is not entitled to a certificate of title under this article.