
By: **Delegate Glassman**
Introduced and read first time: January 30, 2003
Assigned to: Environmental Matters

Committee Report: Favorable
House action: Adopted
Read second time: March 18, 2003

CHAPTER 135

1 AN ACT concerning

2 **Motor Vehicles - Salvage Vehicles - Distribution of Fees**

3 FOR the purpose of altering the distribution by the Motor Vehicle Administration of
4 certain fees charged for certain inspections of salvage vehicles to require
5 distribution to the Auto Theft Unit of the Department of State Police rather
6 than the Vehicle Theft Prevention Fund; and generally relating to salvage
7 vehicles and the distribution of fees.

8 BY repealing and reenacting, with amendments,
9 Article - Public Safety
10 Section 2-703
11 Annotated Code of Maryland
12 (As enacted by Chapter ____ (S.B. 1) of the Acts of the General Assembly of 2003)

13 BY repealing and reenacting, with amendments,
14 Article - Transportation
15 Section 13-507
16 Annotated Code of Maryland
17 (2002 Replacement Volume)

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

1 **Article - Public Safety**

2 2-703.

3 (a) There is a Vehicle Theft Prevention Fund.

4 (b) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302
5 of the State Finance and Procurement Article.6 (2) The Treasurer shall hold the Fund separately and the Comptroller
7 shall account for the Fund.

8 (c) The Fund consists of:

9 (1) money received by the Fund under [§§ 13-507 and 17-106] § 17-106
10 of the Transportation Article;

11 (2) money received by the Council or the Fund from any source; and

12 (3) investment earnings of the Fund.

13 (d) The money of the Fund shall be invested in the same manner as other
14 State money.15 (e) The Council shall spend money in the Fund in the following order of
16 priority:

17 (1) to pay the expenses of the Council; and

18 (2) to carry out the purposes of this subtitle.

19 (f) When making grants from the Fund, the Council shall consider and
20 prioritize the following entities and programs:

21 (1) State and local law enforcement agencies:

22 (i) to enhance vehicle theft enforcement and prevention teams or
23 efforts; and

24 (ii) for programs designed to reduce the incidence of vehicle theft;

25 (2) local prosecutors and judicial agencies, for enhanced prosecution and
26 adjudication of vehicle theft crime;27 (3) neighborhood, community, or business organizations, for programs
28 designed to reduce the incidence of vehicle theft;29 (4) educational programs designed to inform motor vehicle owners of
30 methods to prevent motor vehicle theft and to provide equipment, for experimental
31 purposes, to enable motor vehicle owners to prevent motor vehicle theft;

1 (5) programs designed to reduce the incidence of vehicle theft and
2 recidivism by juveniles; and

3 (6) programs designed to reduce or deter damage or vandalism to
4 vehicles in connection with vehicle theft or theft of property from vehicles.

5 (g) To the extent practicable, the Council shall allocate grants made under
6 this subtitle among the subdivisions of the State on a pro rata basis determined by
7 the total number of vehicles registered in each subdivision divided by the total
8 number of vehicles registered in the State.

9 (h) (1) Expenditures from the Fund may be made only:

10 (i) in accordance with the State budget; or

11 (ii) by the budget amendment procedure as provided in § 7-209 of
12 the State Finance and Procurement Article, if at least 45 days have passed since the
13 budget amendment and supporting information were submitted to the budget
14 committees for their review and comment.

15 (2) The proposed budget and any budget amendment submitted to the
16 General Assembly shall include an itemized list of each grant and other expenditure
17 from the Fund to be made in the fiscal year.

18 **Article - Transportation**

19 13-507.

20 (a) (1) An application for a certificate of title of a vehicle for which a salvage
21 certificate has been issued shall be made by the owner of the vehicle on a form that
22 the Administration requires.

23 (2) An application under paragraph (1) of this subsection shall be
24 accompanied by:

25 (i) Except as provided in subsection (c)(3) of this section, the
26 salvage certificate for the vehicle;

27 (ii) A certificate of inspection issued by a county police department
28 or the Department of State Police; and

29 (iii) A certificate of inspection as required under Title 23 of this
30 article.

31 (3) (i) The Administration may establish a fee for an inspection under
32 paragraph (2)(ii) of this subsection.

33 (ii) The fees collected under this paragraph shall be paid [into the
34 Vehicle Theft Prevention Fund established under Article 88B, § 74 of the Code] TO
35 THE AUTO THEFT UNIT OF THE DEPARTMENT OF STATE POLICE FOR THE PURPOSE

1 OF RECOVERING THE COST OF ADMINISTERING THE SALVAGE INSPECTION
2 PROGRAM AND MAY NOT BE CREDITED TO THE GASOLINE AND MOTOR VEHICLE
3 REVENUE ACCOUNT FOR DISTRIBUTION UNDER § 8-403 OR § 8-404 OF THIS ARTICLE.

4 (b) (1) The certificate of title issued by the Administration shall be:

5 (i) Issued in the name of the applicant; and

6 (ii) In a form as provided in this subsection.

7 (2) The Administration shall issue a certificate of title that contains a
8 conspicuous notation that the vehicle is "rebuilt salvage" if the salvage certificate
9 accompanying the application:

10 (i) Bears a notation under § 13-506(c)(2)(ii)1 of this subtitle; or

11 (ii) Does not bear a notation under § 13-506(c)(2)(ii)2 of this
12 subtitle.

13 (3) The Administration shall issue a certificate of title that does not
14 contain a notation under paragraph (2) of this subsection if the salvage certificate
15 accompanying the application:

16 (i) Bears a notation under § 13-506(c)(2)(ii)2 of this subtitle;

17 (ii) Is issued before October 1, 1992 and the application is
18 accompanied by a statement in writing from an insurance company that the cost to
19 repair the vehicle was equal to or less than the fair market value of the vehicle prior
20 to the vehicle sustaining damage; or

21 (iii) Is issued for a vehicle that is more than 7 model years old.

22 (c) (1) When an insurance company makes a claim settlement on a vehicle
23 that has been stolen, the company shall apply for a salvage certificate as provided in
24 § 13-506(c) of this subtitle.

25 (2) On receipt of an application under this subsection, the
26 Administration:

27 (i) Shall make the appropriate notation in its records; and

28 (ii) May not issue the salvage certificate until the vehicle is
29 recovered.

30 (3) When a vehicle that has been stolen is recovered, the Administration
31 shall:

32 (i) Issue a salvage certificate for the vehicle if the insurance
33 company submits a certification under § 13-506(c)(2)(ii)1, 2, or 3 of this subtitle; or

1 (ii) Issue a certificate of title in lieu of a salvage certificate if the
2 insurance company states that the vehicle has not sustained damage or has sustained
3 only minor damage.

4 (4) The provisions of subsection (b) of this section apply to a certificate of
5 title issued under this subsection.

6 (5) A vehicle for which a certificate of title was issued under paragraph
7 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §
8 13-810(a)(9) of this article.

9 (d) If the Administration receives an application for a certificate of title for a
10 vehicle accompanied by an ownership document issued by another state containing a
11 notation under the laws of the issuing state that the vehicle is in a condition that is
12 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the
13 certificate of title issued by the Administration shall contain a similar notation.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2003.