

Article - Transportation

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§13–210.

(a) (1) If an omission or error in the filing, recording, or indexing of a security interest has been made by an employee of the Administration in the course of employment and, as a result of the omission or error, any interested person has sustained loss or damage, the person may file a claim with the Administration for payment of the loss or damage out of the Assurance Fund maintained under § 13-209 of this subtitle. The claim for payment shall include a request for a hearing on the matter and shall be made in the manner and on the form that the Administration requires.

(2) A claim for payment under this section may not be made unless it is filed with the Administration within 3 years from the date the cause of action arose.

(3) The amount of payment made for a claim under this section may not exceed \$100,000.

(4) Payment for a single claim may not be made from both the Assurance Fund and from the State Insurance Trust Fund under § 12-104 of the State Government Article.

(b) After notice to all interested parties and a hearing on the claim, the Administration may:

(1) Order that any loss or damage sustained by the claimant be paid out of the Assurance Fund, subject to the limitations set forth in this section; or

(2) Order that the claim be dismissed and deny payment of the claim.

(c) (1) Any aggrieved party to a hearing under this section may appeal from the decision of the Administration as follows:

(i) To the circuit court for the county in which the party resides or has his principal place of business; or

(ii) If the party does not reside or have a principal place of business in this State, to the Circuit Court for Anne Arundel County.

(2) The circuit court to which an appeal is made under this section has jurisdiction to examine the facts of the case and to determine if the claimant is entitled under this section to recover for any loss or damage. The Administration shall pay the amount of any judgment recovered against the Assurance Fund up to the amount of the security interest to which the claim relates.

(d) The Assurance Fund is not liable under any circumstances for:

(1) Any loss or damage that exceeds the amount of the security interest to which the claim relates; or

(2) Any loss or damage that results from:

(i) The claimant's breach of any trust, whether expressed, implied, or constructive;

(ii) The improper use of the seal of any corporation to deal with the property or interest involved or to execute or take the benefit of the instrument recorded; or

(iii) The recording of an instrument executed by a person under legal disability, unless the fact of the disability is disclosed on the instrument.

(e) If, in an appeal against the Administration, judgment is given in favor of the Administration or the appeal is dismissed at the request of the claimant, the claimant shall pay the full costs of the appeal.

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