

SENATE BILL 888

C4, R7

6lr2646
CF 6lr3579

By: **Senator Middleton**

Introduced and read first time: February 5, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance – Program to Incentivize and Enable Uninsured**
3 **Vehicle Owners to Be Insured**

4 FOR the purpose of establishing in the Motor Vehicle Administration the Program to
5 Incentivize and Enable Uninsured Vehicle Owners to Be Insured; specifying the
6 purpose of the Program; specifying the Program period; specifying the eligibility
7 requirements for vehicle owners participating in the Program; requiring the
8 Administration to notify certain vehicle owners in a certain manner; requiring a
9 certain notice to include certain information; requiring the Administration to waive
10 a portion of certain delinquent uninsured vehicle penalties of certain vehicle owners;
11 specifying the conditions under which a portion of certain delinquent uninsured
12 vehicle penalties may be waived; requiring a certain vehicle owner to pay a certain
13 amount owed under a certain circumstance; requiring a vehicle owner to purchase
14 and maintain a certain required security under a certain circumstance; allowing the
15 Administration to adopt certain regulations; requiring the Administration to
16 coordinate with the Maryland Insurance Administration to publicize the Program;
17 requiring the Administration to make a certain report within a certain period of time;
18 allowing the Administration to accept certain funding or other form of support from
19 the Uninsured Claim and Judgment Fund of the Maryland Automobile Insurance
20 Fund for a certain purpose; defining certain terms; and generally relating to the
21 establishment of the Program, uninsured vehicle penalties, and motor vehicle
22 insurance.

23 BY adding to
24 Article – Transportation
25 Section 17–111
26 Annotated Code of Maryland
27 (2012 Replacement Volume and 2015 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Transportation

1

2 17-111.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) “CENTRAL COLLECTION UNIT FEE” MEANS THE FEE THE
6 CENTRAL COLLECTION UNIT IN THE DEPARTMENT OF BUDGET AND MANAGEMENT
7 IS AUTHORIZED UNDER § 3-304 OF THE STATE FINANCE AND PROCUREMENT
8 ARTICLE TO ASSESS ON DEBTS OR CLAIMS COLLECTED.

9 (3) “PROGRAM” MEANS THE PROGRAM TO INCENTIVIZE AND ENABLE
10 UNINSURED VEHICLE OWNERS TO BE INSURED.

11 (4) “PROGRAM PERIOD” MEANS THE PERIOD DURING WHICH
12 VEHICLE OWNERS MAY HAVE A PORTION OF DELINQUENT UNINSURED VEHICLE
13 PENALTIES WAIVED UNDER THE PROGRAM.

14 (5) “UNINSURED VEHICLE PENALTY” MEANS THE FINE THE
15 ADMINISTRATION MAY ASSESS A VEHICLE OWNER UNDER § 17-106 OF THIS
16 SUBTITLE FOR A LAPSE OF THE REQUIRED SECURITY ON A VEHICLE DURING A
17 REGISTRATION YEAR.

18 (B) (1) THERE IS A PROGRAM TO INCENTIVIZE AND ENABLE UNINSURED
19 VEHICLE OWNERS TO BE INSURED IN THE ADMINISTRATION.

20 (2) THE PURPOSE OF THE PROGRAM IS TO REDUCE THE NUMBER OF
21 UNINSURED VEHICLES IN THE STATE BY INCENTIVIZING AND ENABLING UNINSURED
22 VEHICLE OWNERS WITH DELINQUENT UNINSURED VEHICLE PENALTIES TO BE
23 INSURED.

24 (C) (1) UNDER THE PROGRAM, THE ADMINISTRATION SHALL:

25 (I) WAIVE A PORTION OF DELINQUENT UNINSURED VEHICLE
26 PENALTIES ON VEHICLE OWNERS; AND

27 (II) AS A CONDITION OF WAIVING A PORTION OF DELINQUENT
28 UNINSURED VEHICLE PENALTIES ON VEHICLE OWNERS, REQUIRE VEHICLE OWNERS
29 TO PURCHASE AND MAINTAIN THE REQUIRED SECURITY ON THEIR VEHICLES.

30 (2) THE PROGRAM PERIOD SHALL:

1 **(I) BE UP TO 90 CALENDAR DAYS; AND**

2 **(II) BEGIN NO EARLIER THAN JANUARY 1, 2017, AND END NO**
3 **LATER THAN DECEMBER 31, 2017.**

4 **(D) A VEHICLE OWNER IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF**
5 **THE VEHICLE OWNER:**

6 **(1) IS A RESIDENT OF THE STATE;**

7 **(2) DOES NOT HAVE THE REQUIRED SECURITY ON A VEHICLE;**

8 **(3) HAS DELINQUENT UNINSURED VEHICLE PENALTIES THAT**
9 **BECAME DELINQUENT BEFORE JANUARY 1, 2014; AND**

10 **(4) HAS NOT BEEN ISSUED A JUDGMENT BY THE CENTRAL**
11 **COLLECTION UNIT.**

12 **(E) (1) THE ADMINISTRATION SHALL NOTIFY VEHICLE OWNERS WHO**
13 **MAY BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM AT THEIR LAST KNOWN**
14 **ADDRESS.**

15 **(2) THE NOTIFICATION TO A VEHICLE OWNER SHALL INCLUDE:**

16 **(I) THE ADMINISTRATION'S WEB SITE ADDRESS AND THE**
17 **MARYLAND INSURANCE ADMINISTRATION'S WEB SITE ADDRESS, WHERE THE**
18 **OWNER MAY FIND CONTACT INFORMATION FOR INSURERS THAT WRITE MOTOR**
19 **VEHICLE LIABILITY INSURANCE IN THE STATE AND OTHER INFORMATION ABOUT**
20 **MOTOR VEHICLE INSURANCE; AND**

21 **(II) THE TOTAL DELINQUENT UNINSURED VEHICLE PENALTIES**
22 **THAT THE OWNER OWES AND THE AMOUNT OF THE PENALTIES THAT MAY BE WAIVED**
23 **UNDER THE PROGRAM.**

24 **(F) (1) IN ACCORDANCE WITH PARAGRAPHS (2) AND (3) OF THIS**
25 **SUBSECTION, THE ADMINISTRATION SHALL WAIVE 60% OF A VEHICLE OWNER'S**
26 **DELINQUENT UNINSURED VEHICLE PENALTIES THAT BECAME DELINQUENT BEFORE**
27 **JANUARY 1, 2014.**

28 **(2) (I) AS A CONDITION OF WAIVING A PORTION OF A VEHICLE**
29 **OWNER'S DELINQUENT UNINSURED VEHICLE PENALTIES UNDER PARAGRAPH (1) OF**
30 **THIS SUBSECTION, THE ADMINISTRATION SHALL REQUIRE THE VEHICLE OWNER TO**
31 **PAY THE BALANCE OF THE DELINQUENT UNINSURED VEHICLE PENALTIES OWED**

1 AFTER SUBTRACTING THE WAIVED AMOUNT UNDER PARAGRAPH (1) OF THIS
2 SUBSECTION.

3 (II) IF A CLAIM AGAINST A VEHICLE OWNER HAS BEEN SENT TO
4 THE CENTRAL COLLECTION UNIT, IN ADDITION TO THE BALANCE OWED UNDER
5 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE VEHICLE OWNER SHALL PAY A
6 CENTRAL COLLECTION UNIT FEE CALCULATED AS A PERCENTAGE OF THE AMOUNT
7 OF THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

8 (III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF
9 THIS SUBPARAGRAPH, THE ADMINISTRATION SHALL REQUIRE A VEHICLE OWNER TO
10 PAY THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND ANY
11 CENTRAL COLLECTION UNIT FEE OWED UNDER SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH BEFORE THE END OF THE PROGRAM PERIOD.

13 2. THE ADMINISTRATION MAY ALLOW AN OWNER TO PAY
14 THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND ANY
15 CENTRAL COLLECTION UNIT FEE OWED UNDER SUBPARAGRAPH (II) OF THIS
16 PARAGRAPH USING A MONTHLY INSTALLMENT PAYMENT PLAN THAT EXTENDS
17 PAYMENTS BEYOND THE END OF THE PROGRAM PERIOD IF THE TERMS OF THE
18 MONTHLY INSTALLMENT PAYMENT PLAN REQUIRE:

19 A. THE FIRST PAYMENT TO BE DUE ON ENTRY INTO THE
20 PROGRAM; AND

21 B. THE REMAINING BALANCE OWED TO BE PAID WITHIN
22 6 MONTHS AFTER ENTRY INTO THE PROGRAM.

23 (3) (I) AS A CONDITION OF WAIVING A PORTION OF DELINQUENT
24 UNINSURED VEHICLE PENALTIES ON A VEHICLE OWNER UNDER PARAGRAPH (1) OF
25 THIS SUBSECTION, THE ADMINISTRATION SHALL REQUIRE THE VEHICLE OWNER TO
26 PURCHASE AND MAINTAIN THE REQUIRED SECURITY ON THE VEHICLE FOR THE
27 PERIOD OF TIME SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.

28 (II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF
29 THIS SUBPARAGRAPH, THE ADMINISTRATION SHALL REQUIRE THE REQUIRED
30 SECURITY ON THE VEHICLE TO BE MAINTAINED FOR A PERIOD OF AT LEAST 6
31 MONTHS.

32 2. THE ADMINISTRATION MAY REQUIRE THAT THE
33 REQUIRED SECURITY ON THE VEHICLE BE MAINTAINED FOR A PERIOD OF AT LEAST
34 1 YEAR IF THE WAIVER AMOUNT UNDER PARAGRAPH (1) OF THIS SUBSECTION
35 EXCEEDS \$3,000.

1 **(G) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THE**
2 **PROVISIONS OF THIS SECTION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Vehicle
4 Administration shall:

5 (1) coordinate with the Maryland Insurance Administration to publicize
6 the Program to Incentivize and Enable Uninsured Vehicle Owners to Be Insured
7 established under § 17-111 of the Transportation Article as enacted under Section 1 of this
8 Act, including notifying motor vehicle liability insurers and producers about the Program;
9 and

10 (2) within 60 days of the end of the Program period, report to the Governor
11 and, in accordance with § 2-1246 of the State Government Article, the General Assembly
12 on:

13 (i) the results of the Program; and

14 (ii) any recommendations to implement another program aimed at
15 reducing the number of uninsured motorists.

16 SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Vehicle
17 Administration may accept funding or another form of support from the Uninsured Claim
18 and Judgment Fund of the Maryland Automobile Insurance Fund to assist with the
19 Program to Incentivize and Enable Uninsured Vehicle Owners to Be Insured established
20 under § 17-111 of the Transportation Article as enacted under Section 1 of this Act.

21 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2016.