

SENATE BILL 856

C4

8lr2916
CF 8lr3792

By: **Senators Middleton and Reilly**

Introduced and read first time: February 5, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Uninsured Division – Uninsured**
3 **Motorists**

4 FOR the purpose of establishing certain legislative findings and declarations; establishing
5 the Uninsured Motorist Education and Enforcement Fund as a special, nonlapsing
6 fund; specifying the purpose of the Uninsured Motorist Education and Enforcement
7 Fund; requiring the Uninsured Division of the Maryland Automobile Insurance
8 Fund to administer the Fund; specifying the contents of the Uninsured Motorist
9 Education and Enforcement Fund; providing for the uses of the Uninsured Motorist
10 Education and Enforcement Fund; establishing in the Uninsured Division a Program
11 to Incentivize and Enable Uninsured Vehicle Owners to Be Insured; requiring the
12 Division to administer the Program; specifying the purpose of the Program;
13 specifying the length of the Program period; providing that an individual is eligible
14 to participate in the Program under certain circumstances; requiring the Motor
15 Vehicle Administration to waive a certain percentage of an eligible individual's
16 delinquent uninsured vehicle penalties under certain circumstances; requiring the
17 Motor Vehicle Administration and the Central Collection Unit to provide the
18 Division with certain information; requiring the Division to notify certain individuals
19 who may be eligible to participate in the Program at a certain address; requiring that
20 a certain notice include certain information; requiring an eligible individual, as a
21 condition of receiving a certain waiver, to pay a certain balance and, under certain
22 circumstances, a certain fee; authorizing an eligible individual to pay a certain
23 balance and fee using a certain monthly installment payment plan under certain
24 circumstances; requiring an eligible individual, as a condition of receiving a certain
25 waiver, to purchase and maintain a certain required security under certain
26 circumstances; authorizing the Division to collect certain uninsured vehicle penalties
27 and certain fees; requiring the Motor Vehicle Administration and the Unit to take
28 certain steps to allow an eligible individual to register a vehicle under certain
29 circumstances; providing that an applicant for a policy from the Maryland
30 Automobile Insurance Fund may be considered to have met certain requirements;
31 authorizing an applicant for a policy from the Maryland Automobile Insurance Fund

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to pay a certain premium for a certain policy in installments under certain
2 circumstances; requiring that certain penalties received under the Program be paid
3 to the Division; authorizing the Motor Vehicle Administration to reinstate certain
4 penalties under certain circumstances; requiring the Motor Vehicle Administration
5 and the Maryland Automobile Insurance Fund to cooperate to ensure that certain
6 programming and other work accomplished will be made available to implement the
7 Program, and to make a certain report within a certain period of time; repealing the
8 Uninsured Motorist Education and Enforcement Fund under the Transportation
9 Article; requiring the Motor Vehicle Administration to provide in a certain manner
10 the information contained in a certain notice to the Division; clarifying that a certain
11 provision of law does not prevent the Motor Vehicle Administration from furnishing
12 personal information to the Division for a certain purpose; requiring interest
13 earnings of the Uninsured Motorist Education and Enforcement Fund to be credited
14 to the Uninsured Motorist Education and Enforcement Fund; exempting the
15 Uninsured Motorist Education and Enforcement Fund from a certain provision of
16 law requiring interest earnings on State money to accrue to the General Fund of the
17 State; defining certain terms; and generally relating to the Uninsured Division of the
18 Maryland Automobile Insurance Fund and uninsured motorists.

19 BY repealing and reenacting, without amendments,

20 Article – Insurance
21 Section 20–101(a) and 20–301(a)
22 Annotated Code of Maryland
23 (2017 Replacement Volume)

24 BY adding to

25 Article – Insurance
26 Section 20–101(k) and 20–610 through 20–613
27 Annotated Code of Maryland
28 (2017 Replacement Volume)

29 BY repealing and reenacting, with amendments,

30 Article – Insurance
31 Section 20–101(k) and 20–301(c)
32 Annotated Code of Maryland
33 (2017 Replacement Volume)

34 BY repealing and reenacting, without amendments,

35 Article – State Finance and Procurement
36 Section 6–226(a)(2)(i) and (b)
37 Annotated Code of Maryland
38 (2015 Replacement Volume and 2017 Supplement)

39 BY repealing and reenacting, with amendments,

40 Article – State Finance and Procurement
41 Section 6–226(a)(2)(ii)101. and 102.
42 Annotated Code of Maryland

1 (2015 Replacement Volume and 2017 Supplement)

2 BY adding to

3 Article – State Finance and Procurement

4 Section 6–226(a)(2)(ii)103.

5 Annotated Code of Maryland

6 (2015 Replacement Volume and 2017 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article – Transportation

9 Section 12–112(d)(5), 17–104.2, and 17–106(c) and (e)(2)(i) and (3) through (5)

10 Annotated Code of Maryland

11 (2012 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – Transportation

14 Section 17–106(e)(2)(vi) and 17–111(b)(1)

15 Annotated Code of Maryland

16 (2012 Replacement Volume and 2017 Supplement)

17 BY adding to

18 Article – Transportation

19 Section 17–106(e)(3) and 17–111(h)

20 Annotated Code of Maryland

21 (2012 Replacement Volume and 2017 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Insurance**

25 20–101.

26 (a) In this title the following words have the meanings indicated.

27 **(K) “UNINSURED DIVISION” MEANS THE UNIT WITHIN THE FUND THAT IS**
 28 **RESPONSIBLE FOR CLAIMS UNDER SUBTITLE 6 OF THIS TITLE AND ACTIVITIES**
 29 **RELATED TO REDUCING THE RATE OF UNINSURED MOTORISTS IN THE STATE.**

30 **[(k)] (L)** “Uninsured motor vehicle” means a motor vehicle for which:

31 (1) the security required under § 17–103 of the Transportation Article is
 32 not in force; or

33 (2) the security required under § 17–103 of the Transportation Article is in
 34 force but a receiver or conservator has been appointed by a court for the insurer that issued
 35 the security.

1 20-301.

2 (a) The purpose of the Fund is to provide the financial security required under §
3 17-103 of the Transportation Article to those eligible persons that are unable to obtain it
4 from an Association member.

5 (c) (1) All operating expenses of the Fund shall be paid from the money
6 collected by or for the Fund.

7 (2) (i) Subject to subparagraphs (ii) through (iv) of this paragraph,
8 money and property available to the Fund may be used for the general purposes of the
9 Fund.

10 (ii) Premiums collected and income accruing from those premiums
11 may be used only for the payment of claims arising under policies issued by the Fund and
12 for the administrative expenses of the Fund.

13 (iii) The Fund shall keep separate records of any income and
14 expenses directly attributable to the **UNINSURED DIVISION, INCLUDING THE** processing
15 and payment of unsatisfied claims under Subtitle 6 of this title.

16 (iv) The Fund shall keep separate records of any income and
17 expenses directly attributable to its commercial policy and claims operations.

18 **20-610.**

19 **THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

20 **(1) THERE IS AN UNACCEPTABLY LARGE NUMBER OF UNINSURED**
21 **MOTORISTS IN THE STATE;**

22 **(2) UNINSURED MOTORISTS CAUSE HARM TO INSURED DRIVERS BY**
23 **INCREASING THE COST OF AUTOMOBILE INSURANCE FOR EVERYONE REQUIRED TO**
24 **PURCHASE UNINSURED MOTORIST COVERAGE;**

25 **(3) UNINSURED MOTORISTS ARE A FINANCIAL DRAIN ON THE STATE**
26 **AND REQUIRE SUBSTANTIAL FUNDING FOR THE UNINSURED DIVISION OF THE FUND**
27 **TO COVER LEGITIMATE CLAIMS OF INNOCENT PEDESTRIANS, PASSENGERS, AND**
28 **DRIVERS WHO ARE INJURED BY UNINSURED MOTORISTS;**

29 **(4) TO ENCOURAGE UNINSURED MOTORISTS TO BECOME INSURED,**
30 **THE LAW FOR MANY YEARS HAS PROVIDED FINANCIAL PENALTIES TO BE IMPOSED**
31 **ON UNINSURED MOTORISTS AND A SUBSTANTIAL NUMBER OF PENALTIES ARE**
32 **ISSUED EVERY YEAR;**

1 **(5) TO FURTHER ADDRESS THE RATE OF UNINSURED MOTORISTS, THE**
2 **GENERAL ASSEMBLY PASSED LEGISLATION (CHAPTER 446 OF THE ACTS OF 2016)**
3 **TO REQUIRE THE MOTOR VEHICLE ADMINISTRATION TO CONDUCT A PROGRAM**
4 **THAT WAIVED SUBSTANTIAL PORTIONS OF DELINQUENT UNINSURED MOTORIST**
5 **FINES AS AN INCENTIVE FOR ELIGIBLE PARTICIPANTS TO BECOME INSURED, BUT**
6 **LESS THAN 4% OF ELIGIBLE UNINSURED MOTORISTS ACTUALLY ENTERED THE**
7 **PROGRAM;**

8 **(6) THE GENERAL ASSEMBLY ALSO PASSED LEGISLATION (CHAPTER**
9 **401 OF THE ACTS OF 2016) TO REQUIRE DRIVERS TO CARRY PROOF OF AUTOMOBILE**
10 **INSURANCE;**

11 **(7) DESPITE THESE STATUTORY EFFORTS, THE RATE OF UNINSURED**
12 **MOTORISTS HAS REMAINED STUBBORNLY HIGH, HOVERING AT ABOUT 12%**
13 **ACCORDING TO THE INSURANCE RESEARCH COUNCIL;**

14 **(8) IT IS IN THE BEST INTERESTS OF THE STATE TO ADDRESS THE**
15 **RATE OF UNINSURED MOTORISTS IN THE STATE IN A COMPREHENSIVE AND**
16 **COORDINATED FASHION;**

17 **(9) THE FUND WAS ESTABLISHED IN 1973 TO PROVIDE THE**
18 **FINANCIAL SECURITY REQUIRED UNDER THE MARYLAND VEHICLE LAW TO**
19 **INDIVIDUALS WHO ARE UNABLE TO OBTAIN AUTOMOBILE INSURANCE FROM**
20 **PRIVATE INSURERS;**

21 **(10) THE UNINSURED DIVISION IS UNIQUELY POSITIONED TO REDUCE**
22 **THE RATE OF UNINSURED MOTORISTS BY CONDUCTING OUTREACH AND**
23 **INCENTIVIZING, EDUCATING, AND ENCOURAGING UNINSURED MOTORISTS TO**
24 **OBTAIN AUTOMOBILE INSURANCE FROM PRIVATE INSURERS OR THE FUND; AND**

25 **(11) THE EFFORT TO REDUCE THE RATE OF UNINSURED MOTORISTS**
26 **WOULD BE GREATLY ENHANCED BY MAKING THE UNINSURED DIVISION THE**
27 **PRIMARY STATE AGENCY WITH RESPONSIBILITY TO CONDUCT OUTREACH AND**
28 **INCENTIVIZE, EDUCATE, AND ENCOURAGE UNINSURED MOTORISTS TO BECOME**
29 **INSURED.**

30 **20-611.**

31 **(A) IN THIS SECTION, “UNINSURED MOTORIST FUND” MEANS THE**
32 **UNINSURED MOTORIST EDUCATION AND ENFORCEMENT FUND.**

33 **(B) THERE IS AN UNINSURED MOTORIST EDUCATION AND ENFORCEMENT**

1 **FUND.**

2 (C) THE PURPOSE OF THE UNINSURED MOTORIST FUND IS TO PROVIDE
3 FUNDING FOR THE EDUCATION OF DRIVERS ABOUT, AND THE ENFORCEMENT OF,
4 THE SECURITY REQUIREMENTS FOR MOTOR VEHICLES UNDER THE MARYLAND
5 VEHICLE LAW.

6 (D) THE UNINSURED DIVISION SHALL ADMINISTER THE UNINSURED
7 MOTORIST FUND.

8 (E) THE UNINSURED MOTORIST FUND IS A SPECIAL, NONLAPSING FUND
9 THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT
10 ARTICLE.

11 (F) THE UNINSURED MOTORIST FUND CONSISTS OF:

12 (1) REVENUES DEPOSITED TO THE UNINSURED MOTORIST FUND
13 UNDER § 17-104.2 OF THE TRANSPORTATION ARTICLE;

14 (2) INTEREST AND INVESTMENT EARNINGS OF THE UNINSURED
15 MOTORIST FUND; AND

16 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
17 THE BENEFIT OF THE UNINSURED MOTORIST FUND.

18 (G) MONEY IN THE UNINSURED MOTORIST FUND SHALL BE USED SOLELY
19 FOR:

20 (1) THE ADMINISTRATION OF THE UNINSURED MOTORIST FUND; AND

21 (2) THE EDUCATION OF DRIVERS AND THE PUBLIC ABOUT:

22 (I) THE SECURITY REQUIREMENTS UNDER THE MARYLAND
23 VEHICLE LAW; AND

24 (II) THE SOURCES OF AUTOMOBILE INSURANCE IN THE STATE,
25 INCLUDING PRIVATE INSURERS AND THE FUND.

26 **20-612.**

27 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

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

5 **(3) “PROGRAM” MEANS THE PROGRAM TO INCENTIVIZE AND ENABLE**
6 **UNINSURED VEHICLE OWNERS TO BE INSURED ESTABLISHED UNDER SUBSECTION**
7 **(B)(1) OF THIS SECTION.**

8 **(4) “PROGRAM PERIOD” MEANS THE PERIOD DURING WHICH**
9 **VEHICLE OWNERS MAY HAVE A PORTION OF DELINQUENT UNINSURED VEHICLE**
10 **PENALTIES WAIVED UNDER THE PROGRAM.**

11 **(5) “UNINSURED VEHICLE PENALTY” MEANS THE FINE THE MOTOR**
12 **VEHICLE ADMINISTRATION MAY ASSESS A VEHICLE OWNER UNDER § 17-106 OF THE**
13 **TRANSPORTATION ARTICLE FOR A LAPSE OF THE REQUIRED SECURITY ON A**
14 **VEHICLE DURING A REGISTRATION YEAR.**

15 **(B) (1) THERE IS A PROGRAM TO INCENTIVIZE AND ENABLE UNINSURED**
16 **VEHICLE OWNERS TO BE INSURED IN THE UNINSURED DIVISION.**

17 **(2) THE PROGRAM IS ADMINISTERED BY THE UNINSURED DIVISION.**

18 **(3) THE PURPOSE OF THE PROGRAM IS TO REDUCE THE NUMBER OF**
19 **UNINSURED VEHICLES IN THE STATE BY INCENTIVIZING AND ENABLING**
20 **INDIVIDUALS WITH DELINQUENT UNINSURED VEHICLE PENALTIES TO BECOME:**

21 **(I) ELIGIBLE TO REGISTER A VEHICLE IN THE STATE; AND**

22 **(II) INSURED AFTER PAYING A REDUCED UNINSURED VEHICLE**
23 **PENALTY.**

24 **(C) THE PROGRAM PERIOD:**

25 **(1) MAY NOT EXCEED 180 CALENDAR DAYS; AND**

26 **(2) SHALL BEGIN NOT EARLIER THAN JULY 1, 2018, AND END NOT**
27 **LATER THAN JUNE 30, 2019.**

28 **(D) AN INDIVIDUAL IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF THE**
29 **INDIVIDUAL:**

30 **(1) IS A STATE RESIDENT;**

1 **(2) HAS DELINQUENT UNINSURED VEHICLE PENALTIES THAT**
2 **BECAME DELINQUENT ON OR BEFORE DECEMBER 31, 2016;**

3 **(3) DOES NOT HAVE THE REQUIRED INSURANCE ON ANY VEHICLE**
4 **OWNED BY THE INDIVIDUAL; AND**

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

7 **(E) (1) THE MOTOR VEHICLE ADMINISTRATION AND THE CENTRAL**
8 **COLLECTIONS UNIT SHALL PROVIDE THE UNINSURED DIVISION WITH CONTACT**
9 **INFORMATION AND THE TOTAL AMOUNT OF DELINQUENT UNINSURED VEHICLE**
10 **PENALTIES OF EACH INDIVIDUAL WHO MAY BE ELIGIBLE TO PARTICIPATE IN THE**
11 **PROGRAM.**

12 **(2) THE UNINSURED DIVISION SHALL NOTIFY INDIVIDUALS WHO MAY**
13 **BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM AT THE INDIVIDUAL'S LAST KNOWN**
14 **ADDRESS.**

15 **(3) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (2) OF THIS**
16 **SUBSECTION SHALL INCLUDE:**

17 **(I) THE WEBSITE ADDRESSES OF THE MOTOR VEHICLE**
18 **ADMINISTRATION, THE FUND, AND THE ADMINISTRATION, WHERE INDIVIDUALS**
19 **MAY FIND CONTACT INFORMATION FOR INSURERS THAT WRITE MOTOR VEHICLE**
20 **LIABILITY INSURANCE IN THE STATE AND OTHER INFORMATION ABOUT MOTOR**
21 **VEHICLE INSURANCE; AND**

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

25 **(F) (1) ON NOTIFICATION BY THE UNINSURED DIVISION THAT AN**
26 **APPLICANT MEETS THE ELIGIBILITY REQUIREMENTS FOR THE PROGRAM, THE**
27 **MOTOR VEHICLE ADMINISTRATION SHALL WAIVE 80% OF AN ELIGIBLE**
28 **INDIVIDUAL'S DELINQUENT UNINSURED VEHICLE PENALTIES THAT BECAME**
29 **DELINQUENT ON OR BEFORE DECEMBER 31, 2016.**

30 **(2) (I) AS A CONDITION OF RECEIVING A WAIVER UNDER**
31 **PARAGRAPH (1) OF THIS SUBSECTION, THE ELIGIBLE INDIVIDUAL SHALL PAY THE**
32 **BALANCE OF THE DELINQUENT UNINSURED VEHICLE PENALTIES OWED AFTER**
33 **SUBTRACTING THE WAIVED AMOUNT UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

1 **(II) IF A CLAIM AGAINST AN ELIGIBLE INDIVIDUAL HAS BEEN**
2 **SENT TO THE CENTRAL COLLECTION UNIT, IN ADDITION TO THE BALANCE OWED**
3 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE ELIGIBLE INDIVIDUAL SHALL**
4 **PAY A CENTRAL COLLECTION UNIT FEE CALCULATED AS A PERCENTAGE OF THE**
5 **AMOUNT OF THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

6 **(III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF**
7 **THIS SUBPARAGRAPH, AN ELIGIBLE INDIVIDUAL SHALL PAY THE BALANCE OWED**
8 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND ANY CENTRAL COLLECTION**
9 **UNIT FEE OWED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH BEFORE THE END**
10 **OF THE PROGRAM PERIOD.**

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

17 **A. THE FIRST PAYMENT TO BE DUE ON ENTRY INTO THE**
18 **PROGRAM; AND**

19 **B. THE REMAINING BALANCE OWED TO BE PAID WITHIN**
20 **6 MONTHS AFTER ENTRY INTO THE PROGRAM.**

21 **(3) (I) AS A CONDITION OF RECEIVING A WAIVER UNDER**
22 **PARAGRAPH (1) OF THIS SUBSECTION, AN ELIGIBLE INDIVIDUAL WHO OWNS A**
23 **VEHICLE AT THE TIME OF THE WAIVER, OR AN ELIGIBLE INDIVIDUAL WHO DOES NOT**
24 **OWN A VEHICLE AT THE TIME OF THE WAIVER BUT SUBSEQUENTLY REGISTERS A**
25 **VEHICLE, SHALL PURCHASE AND MAINTAIN THE REQUIRED SECURITY ON THE**
26 **VEHICLE FOR THE PERIOD OF TIME SPECIFIED IN SUBPARAGRAPH (II) OF THIS**
27 **PARAGRAPH.**

28 **(II) THE ELIGIBLE INDIVIDUAL SHALL MAINTAIN THE**
29 **REQUIRED SECURITY ON THE VEHICLE FOR A PERIOD OF:**

30 **1. AT LEAST 6 MONTHS; OR**

31 **2. AT LEAST 1 YEAR IF THE WAIVED AMOUNT UNDER**
32 **PARAGRAPH (1) OF THIS SUBSECTION EXCEEDS \$3,000.**

33 **(G) (1) ON BEHALF OF THE STATE, THE UNINSURED DIVISION MAY**

1 COLLECT THE AMOUNT OF THE DELINQUENT UNINSURED VEHICLE PENALTIES DUE
 2 TOGETHER WITH ANY CENTRAL COLLECTIONS UNIT FEE THAT IS DUE AND
 3 TRANSMIT THE MONEY THAT IS OWED TO THE MOTOR VEHICLE ADMINISTRATION
 4 AND THE CENTRAL COLLECTIONS UNIT.

5 (2) ON NOTIFICATION FROM THE UNINSURED DIVISION THAT THE
 6 REQUIRED AMOUNT OF THE UNINSURED VEHICLE PENALTIES AND CENTRAL
 7 COLLECTION UNIT FEES HAVE BEEN RECEIVED FROM AN ELIGIBLE INDIVIDUAL,
 8 THE MOTOR VEHICLE ADMINISTRATION AND THE CENTRAL COLLECTIONS UNIT
 9 SHALL TAKE THE NECESSARY STEPS TO ALLOW THE ELIGIBLE INDIVIDUAL TO
 10 REGISTER A VEHICLE.

11 **20-613.**

12 AN APPLICANT FOR A POLICY FROM THE FUND WHO IS PARTICIPATING IN THE
 13 PROGRAM UNDER § 20-612 OF THIS SUBTITLE MAY:

14 (1) BE CONSIDERED BY THE FUND TO HAVE MET THE REQUIREMENTS
 15 OF § 20-502(A)(3) OF THIS TITLE; AND

16 (2) PAY THE PREMIUM FOR THE POLICY IN INSTALLMENTS WITHOUT
 17 REGARD TO THE REQUIREMENTS OF § 20-507(G) OF THIS TITLE, PROVIDED THE
 18 COMMISSIONER HAS APPROVED THE FUND'S INSTALLMENT PAYMENT PLAN FOR
 19 PARTICIPANTS IN THE PROGRAM AS CONSISTENT WITH THE PURPOSES OF BOTH
 20 THE PROGRAM AND THE FUND.

21 **Article – State Finance and Procurement**

22 6-226.

23 (a) (2) (i) Notwithstanding any other provision of law, and unless
 24 inconsistent with a federal law, grant agreement, or other federal requirement or with the
 25 terms of a gift or settlement agreement, net interest on all State money allocated by the
 26 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 27 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 28 Fund of the State.

29 (ii) The provisions of subparagraph (i) of this paragraph do not apply
 30 to the following funds:

31 101. the Advance Directive Program Fund; [and]

32 102. the Make Office Vacancies Extinct Matching Fund; AND

33 **103. THE UNINSURED MOTORIST EDUCATION AND**

1 **ENFORCEMENT FUND.**

2 (b) (1) Notwithstanding any other provision of law, the Treasurer may invest
3 separately or commingled in 1 or more pools amounts to be invested by law or regulation
4 for State agencies.

5 (2) The Treasurer shall allocate net earnings on amounts commingled in a
6 pool to the appropriate State agencies entitled to receive interest earnings under subsection
7 (a) of this section.

8 **Article – Transportation**

9 12–112.

10 (d) (5) This subsection does not prevent the Administration from furnishing
11 personal information under this section:

12 (i) To another governmental agency, **INCLUDING THE**
13 **UNINSURED DIVISION OF THE MARYLAND AUTOMOBILE INSURANCE FUND TO**
14 **CARRY OUT THE DIVISION’S FUNCTIONS UNDER TITLE 20 OF THE INSURANCE**
15 **ARTICLE;** or

16 (ii) For another purpose permissible under § 4–320 of the General
17 Provisions Article.

18 17–104.2.

19 (a) In this section, “Fund” means the Uninsured Motorist Education and
20 Enforcement Fund **ADMINISTERED BY THE UNINSURED DIVISION OF THE MARYLAND**
21 **AUTOMOBILE INSURANCE FUND UNDER § 20–611 OF THE INSURANCE ARTICLE.**

22 (b) The operator of a motor vehicle that is required to be registered in this State
23 shall:

24 (1) Be in possession of, or carry in the motor vehicle, evidence of the
25 required security for the motor vehicle, when operating the motor vehicle on a highway in
26 the State; and

27 (2) Present evidence of the required security on the request of a law
28 enforcement officer.

29 (c) (1) An insurance identification card issued by or on behalf of a motor
30 vehicle insurer under § 19–504.1 of the Insurance Article is a form of evidence of the
31 required security for the motor vehicle.

32 (2) Evidence of the required security may be produced in electronic format,

1 including display of electronic images on a cellular phone or any other type of portable
2 electronic device.

3 (d) (1) A person who violates subsection (b) of this section is subject to a fine
4 of \$50.

5 (2) The fine under paragraph (1) of this subsection:

6 (i) May be waived; and

7 (ii) Shall be deposited in the Fund.

8 [(e) (1) There is an Uninsured Motorist Education and Enforcement Fund.

9 (2) The purpose of the Fund is to provide funding for the education of
10 operators about, and the enforcement of, security requirements for motor vehicles under
11 the Maryland Vehicle Law.

12 (3) The Administration shall administer the Fund.

13 (4) (i) The Fund is a special, nonlapsing revolving fund that is not
14 subject to § 7–302 of the State Finance and Procurement Article.

15 (ii) The State Treasurer shall hold the Fund separately and the
16 Comptroller shall account for the Fund.

17 (5) The Fund consists of:

18 (i) Revenues deposited to the Fund under subsection (d) of this
19 section;

20 (ii) Interest earnings of the Fund; and

21 (iii) Any other money from any other source accepted for the benefit
22 of the Fund.

23 (6) Money in the Fund shall be used for:

24 (i) The administration of the Fund; and

25 (ii) The education of operators of motor vehicles about, and the
26 enforcement of, security requirements for motor vehicles under the Maryland Vehicle Law.]

27 [(f) (E) The Administration may adopt regulations to carry out this section.

28 17–106.

1 (c) On receipt of a notice under subsection (b) of this section, the Administration
2 shall [make]:

3 (1) **MAKE** a reasonable effort to notify the owner of the vehicle that his
4 registration has been suspended; **AND**

5 (2) **PROVIDE ELECTRONICALLY THE INFORMATION CONTAINED IN**
6 **THE NOTICE OF THE SUSPENSION TO THE UNINSURED DIVISION OF THE MARYLAND**
7 **AUTOMOBILE INSURANCE FUND.**

8 (e) (2) (i) **[A] EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS**
9 **SUBSECTION, A** penalty assessed under this subsection shall be paid as follows:

10 1. 70% to be allocated as provided in subparagraphs (ii)
11 through (vi) of this paragraph; and

12 2. 30% to the Administration, which may be used by the
13 Administration, subject to subsection (f) of this section, to provide funding for contracts
14 with independent agents to assist in the recovery of evidences of registration as authorized
15 in subsection (d)(3) of this section.

16 (vi) For each fiscal year beginning on or after July 1, 2014, the
17 percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be
18 allocated among the School Safety Enforcement Fund, the Vehicle Theft Prevention Fund,
19 the Maryland Automobile Insurance Fund, and the General Fund as follows:

20 1. \$600,000 to the School Safety Enforcement Fund;

21 2. \$2,000,000 to the Vehicle Theft Prevention Fund;

22 3. To the Maryland Automobile Insurance Fund, the amount
23 distributed to the Maryland Automobile Insurance Fund in the prior fiscal year under the
24 provisions of this paragraph adjusted by the change for the calendar year preceding the
25 fiscal year in the Consumer Price Index – All Urban Consumers – Medical Care as
26 published by the United States Bureau of Labor Statistics; and

27 4. The balance to the General Fund.

28 (3) **BEGINNING JULY 1, 2018, ANY UNINSURED MOTORIST PENALTIES**
29 **THE ADMINISTRATION RECEIVES UNDER THE PROGRAM TO INCENTIVIZE AND**
30 **ENABLE UNINSURED VEHICLE OWNERS TO BE INSURED ESTABLISHED UNDER §**
31 **20-612 OF THE INSURANCE ARTICLE SHALL BE PAID TO THE UNINSURED DIVISION**
32 **OF THE MARYLAND AUTOMOBILE INSURANCE FUND.**

33 [(3)] (4) If the Administration assesses a vehicle owner, co-owner, or
34 lessee with a penalty under this subsection, the Administration may not take any of the

1 following actions until the penalty is paid:

2 (i) Reinstatement a registration suspended under this subsection;

3 (ii) Except for a temporary registration as provided under §
4 13-602(a)(2) of this article, issue a new registration for any vehicle that is owned,
5 co-owned, or leased by that person and is titled after the violation date; or

6 (iii) Renew a registration for a vehicle that is owned, co-owned, or
7 leased by that person.

8 ~~[(4)]~~ (5) (i) In this paragraph, "family member" means any individual
9 whose relationship to the vehicle owner is one of those listed under § 13-810(c)(1) of this
10 article as being exempt from paying the excise tax imposed on the transfer of a vehicle.

11 (ii) The monetary penalties provided in this subsection may not be
12 avoided by transferring title to the vehicle.

13 (iii) Regardless of whether money or other valuable consideration is
14 involved in the transfer, if title to a vehicle is transferred by an individual who has violated
15 this subtitle to a family member, any suspension of the vehicle's registration that occurred
16 before the transfer shall continue as if no transfer had occurred and a new registration may
17 not be issued until the penalty fee is paid.

18 ~~[(5)]~~ (6) An amount equal to the monetary penalties paid to the
19 Administration under paragraph (2) of this subsection may be used by the Administration
20 only for the enforcement of this subtitle.

21 17-111.

22 (b) (1) There is a Program to Incentivize and Enable Uninsured Vehicle
23 Owners to Be Insured in the Administration.

24 **(H) (1) BEGINNING JULY 1, 2018, THERE IS A PROGRAM TO INCENTIVIZE**
25 **AND ENABLE UNINSURED VEHICLE OWNERS TO BE INSURED, ADMINISTERED BY**
26 **THE UNINSURED DIVISION OF THE MARYLAND AUTOMOBILE INSURANCE FUND**
27 **UNDER § 20-612 OF THE INSURANCE ARTICLE.**

28 **(2) THE ADMINISTRATION:**

29 **(I) SHALL WAIVE DELINQUENT UNINSURED VEHICLE**
30 **PENALTIES AS PROVIDED IN § 20-612 OF THE INSURANCE ARTICLE; AND**

31 **(II) IF CONDITIONS SPECIFIED UNDER § 20-612 OF THE**
32 **INSURANCE ARTICLE ARE NOT MET, MAY REINSTATE THE WAIVED DELINQUENT**
33 **UNINSURED MOTORIST PENALTIES.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Motor Vehicle
2 Administration and the Maryland Automobile Insurance Fund shall:

3 (1) work together to ensure that, to the fullest extent possible, the
4 programming and other work accomplished by the Motor Vehicle Administration and its
5 vendor during the implementation of the Program to Incentivize and Enable Uninsured
6 Vehicle Owners to Be Insured during 2017 be made available to implement this Act; and

7 (2) within 60 days after the end of the Program period for the Program to
8 Incentivize and Enable Uninsured Vehicle Owners to Be Insured as established under §
9 20–612 of the Insurance Article, as enacted by Section 1 of this Act, report to the Governor
10 and, in accordance with § 2–1246 of the State Government Article, the General Assembly
11 on:

12 (i) the results of the Program; and

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

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2018.