

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 675
Judiciary

(Delegate Wells, *et al.*)

Operation of Uninsured Motor Vehicle - Criminal Penalties

This bill eliminates as a possible penalty the term of imprisonment for a person convicted of operating (or allowing to be operated) a motor vehicle that the person knows (or has reason to know) is not covered by the required security. The bill also reduces the maximum fine, from \$1,000 to \$500, for a first offense.

Fiscal Summary

State Effect: General fund revenues decrease, likely minimally, beginning in FY 2020 as some individuals are subject to a reduced maximum fine. Any decrease in revenues may be partially offset by a decrease in general fund expenditures that results from fewer people being imprisoned under the bill.

Local Effect: Local government expenditures may decrease minimally beginning in FY 2020 due to fewer people being imprisoned in local detention facilities under the bill. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law:

Required Security

Maryland law requires an owner of a motor vehicle that is required to be registered in the State to maintain insurance for the vehicle during the registration period. The security required must provide at least the payment of claims:

- for bodily injury or death arising from an accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons;
- for property of others damaged or destroyed in an accident of up to \$15,000;
- unless waived or exempt by Chapters 425 and 426 of 2016, for personal injury protection of \$2,500 per person; and
- for uninsured motorist coverage (unless waived, the amount equals the amount of liability coverage provided under the policy; if waived, the amount equals the minimum required insurance for liability coverage).

Uninsured Motorist Penalties

Knowingly operating a vehicle without adequate security is a misdemeanor, subject to maximum penalties of a \$1,000 fine and/or one year imprisonment for a first offense and a \$1,000 fine and/or two years imprisonment for a subsequent offense. The violation requires a court appearance, results in the imposition of five points on the driver's record, and subjects the driver to participation in the Driver Improvement Program.

The Motor Vehicle Administration (MVA) may assess the owner of the vehicle a penalty of \$150 for each vehicle without the required security for the first 30 days. Beginning on the thirty-first day, the fine increases by a rate of \$7 for each day, but the total fine may not exceed \$2,500 annually, not including the additional misdemeanor penalty of up to \$500, which may be prepaid with a fine of \$290.

Background: The Judiciary advises that, in fiscal 2018, there were 13,540 violations and 125 guilty dispositions for driving a vehicle (or knowingly permitting another person to drive it) without the required security under of § 17-107 of the Transportation Article.

State Revenues: The bill reduces the maximum fine for a first offense under § 17-107 of the Transportation Article by half – from \$1,000 to \$500. Thus, under the bill, general fund revenues decrease, likely minimally, as some individuals convicted pay a reduced fine. The exact decrease in general fund revenues cannot be reliably estimated at this time, however, because the range of monetary penalties currently imposed is not known.

A total of 125 people were convicted of driving a vehicle (or knowingly permitting another person to drive it) without the required security under § 17-107 of the Transportation Article in fiscal 2018. *For illustrative purposes only*, if approximately one-quarter of the total number of convicted individuals pay a fine that is reduced by \$250 and the number of guilty dispositions remains fairly constant in future years, general fund revenues decrease by approximately \$5,859 in fiscal 2020 (reflecting the bill's October 1, 2019, effective date) and by \$7,813 annually thereafter.

To the extent that more individuals prepay the fine and accept the points that must be imposed, the bill may impact MVA reinstatement fee revenues. Any such impact is assumed to be minimal.

State Expenditures: General fund expenditures may decrease minimally beginning in fiscal 2020 due to people no longer being committed to State correctional facilities for convictions in Baltimore City. The number of people currently imprisoned for driving a vehicle (or knowingly permitting another person to drive it) without the required security is assumed to be minimal.

Generally, persons serving a sentence of one year or less in a jurisdiction other than Baltimore City are sentenced to a local detention facility. The Baltimore Pretrial Complex, a State-operated facility, is used primarily for pretrial detentions.

The bill is not anticipated to result in any general fund savings for the District Court but likely results in operational efficiencies due to fewer must-appear offenses.

Local Expenditures: Expenditures may decrease minimally as a result of the bill's removal of the incarceration penalty for possessing a canceled, revoked, or suspended license. As noted above, the number of people currently imprisoned for driving a vehicle (or knowingly permitting another person to drive it) without the required security is assumed to be minimal. Counties pay the full cost of incarceration for people in their facilities for the first 12 months of the sentence. Per diem operating costs of local detention facilities have ranged from approximately \$40 to \$170 per inmate in recent years.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of State Police; Maryland Department of Transportation; Maryland Insurance Administration; Department of Legislative Services

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