
By: Chairman, Commerce and Government Matters Committee (Departmental - Transportation)

Introduced and read first time: January 17, 1996
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 Vehicle Laws - Uninsured Motorist Penalty Fees - Distribution Formula

3 FOR the purpose of modifying the formula for distributing certain penalty fees assessed
4 and collected for certain lapses or terminations of required security for a vehicle
5 during its registration period; repealing certain obsolete provisions; providing for a
6 certain contingency; providing for the application of this Act; providing for the
7 effective date of this Act; and generally relating to the formula for distributing
8 penalty fees collected when the required security for a vehicle lapses during its
9 registration year.

10 BY repealing and reenacting, with amendments,
11 Article - Transportation
12 Section 17-106(e)
13 Annotated Code of Maryland
14 (1992 Replacement Volume and 1995 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Transportation
17 Section 17-106(e)
18 Annotated Code of Maryland
19 (1992 Replacement Volume and 1995 Supplement)
20 (As enacted by Chapter 459 of the Acts of the General Assembly of 1994)

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

23 **Article - Transportation**

24 17-106.

25 (e) (1) (i) In addition to any other penalty provided for in the Maryland
26 Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during
27 its registration year, the Administration may assess the owner of the vehicle with a
28 penalty of \$150 for each vehicle without the required security for a period of 1 to 30 days.
29 If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for
30 each day.

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1 (ii) Each period during which the required security for a vehicle
2 terminates or otherwise lapses shall constitute a separate violation.

3 (iii) The penalty imposed under this subsection may not exceed \$2,500
4 for each violation in a 12-month period.

5 (2) (i) A penalty assessed under this subsection shall be paid as follows:

6 1. [Of the initial \$150 collected:

7 A. 90%] 70% to be allocated to the Vehicle Theft Prevention
8 Fund, the Maryland Automobile Insurance Fund and the General Fund as provided in
9 subparagraph (ii) of this paragraph; and

10 [B.] 2. [10%] 30% to the Administration[; and

11 2. Of any amount collected that is over \$150:

12 A. 50% to be allocated to the Vehicle Theft Prevention Fund,
13 the Maryland Automobile Insurance Fund and the General Fund as provided in
14 subparagraph (ii) of this paragraph; and

15 B. 50% to the Administration].

16 (ii) The percentage of the penalties specified under subparagraph (i)
17 of this paragraph shall be distributed as follows:

18 1. [In Fiscal Year 1994:

19 A. \$2,700,000 to the Maryland Automobile Insurance Fund; and

20 B. The balance to the General Fund.

21 2. In each fiscal year after Fiscal Year 1994:

22 A.] \$2,000,000 to the Vehicle Theft Prevention Fund established
23 under Article 41, § 4-1604 of the Code;

24 [B.] 2. The amount distributed to the Maryland Automobile
25 Insurance Fund in the prior fiscal year under the provisions of this subparagraph adjusted
26 by the change for the calendar year preceding the fiscal year in the Consumer Price Index
27 - All Urban Consumers - Medical Care as published by the United States Bureau of
28 Labor Statistics to the Maryland Automobile Insurance Fund; and

29 [C.] 3. The balance to the General Fund.

30 (3) If the Administration assesses a vehicle owner or co-owner with a
31 penalty under this subsection, the Administration may not take any of the following
32 actions until the penalty is paid:

33 (i) Reinstate a registration suspended under this subsection;

34 (ii) Issue a new registration for any vehicle that is owned or co-owned
35 by that person and is titled after the violation date; or

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1 (iii) Renew a registration for a vehicle that is owned or co-owned by
2 that person and is titled after the violation date.

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

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

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

13 (5) An amount equal to the monetary penalties paid to the Administration
14 under paragraph (2) of this subsection may be used by the Administration only for the
15 enforcement of this subtitle.

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
17 read as follows:

18 **Article - Transportation**

19 17-106.

20 (e) (1) (i) In addition to any other penalty provided for in the Maryland
21 Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during
22 its registration year, the Administration may assess the owner of the vehicle with a
23 penalty of \$150 for each vehicle without the required security for a period of 1 to 30 days.
24 If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for
25 each day.

26 (ii) Each period during which the required security for a vehicle
27 terminates or otherwise lapses shall constitute a separate violation.

28 (iii) The penalty imposed under this subsection may not exceed \$2,500
29 for each violation in a 12-month period.

30 (2) (i) A penalty assessed under this subsection shall be paid as follows:

31 1. [Of the initial \$150 collected:

32 A. 90%] 70% to be allocated to the Maryland Automobile
33 Insurance Fund and the General Fund as provided in subparagraph (ii) of this paragraph;
34 and

35 [B.] 2. [10%] 30% to the Administration[; and

36 2. Of any amount collected that is over \$150:

37 A. 50% to be allocated to the Maryland Automobile Insurance
38 Fund and the General Fund as provided in subparagraph (ii) of this paragraph; and

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1 B. 50% to the Administration].

2 (ii) The percentage of the penalties specified under subparagraph (i)
3 of this paragraph shall be distributed as follows:

4 1. [In Fiscal Year 1994:

5 A. \$2,700,000 to the Maryland Automobile Insurance Fund; and

6 B. The balance to the General Fund.

7 2. In each fiscal year after Fiscal Year 1994:

8 A.] The amount distributed to the Maryland Automobile
9 Insurance Fund in the prior fiscal year under the provisions of this subparagraph adjusted
10 by the change for the calendar year preceding the fiscal year in the Consumer Price Index
11 - All Urban Consumers - Medical Care as published by the United States Bureau of
12 Labor Statistics to the Maryland Automobile Insurance Fund; and

13 [B.] 2. The balance to the General Fund.

14 (3) If the Administration assesses a vehicle owner or co-owner with a
15 penalty under this subsection, the Administration may not take any of the following
16 actions until the penalty is paid:

17 (i) Reinstate a registration suspended under this subsection;

18 (ii) Issue a new registration for any vehicle that is owned or co-owned
19 by that person and is titled after the violation date; or

20 (iii) Renew a registration for a vehicle that is owned or co-owned by
21 that person and is titled after the violation date.

22 (4) (i) In this paragraph, "family member" means any individual whose
23 relationship to the vehicle owner is one of those listed under § 13-810(b)(1) of this article
24 as being exempt from paying the excise tax imposed on the transfer of a vehicle.

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

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

32 (5) An amount equal to the monetary penalties paid to the Administration
33 under paragraph (2) of this subsection may be used by the Administration only for the
34 enforcement of this subtitle.

35 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act is
36 contingent on the taking effect of the termination provision specified in Section 4 of
37 Chapter 459 of the Acts of the General Assembly of 1994. If that termination provision

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1 takes effect, Section 1 of this Act shall be void. This Act may not be interpreted to have
2 any effect on that termination provision.

3 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 1996.