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

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

Committee Report: Favorable
House action: Adopted
Read second time: February 6, 1996

CHAPTER ____

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:

2

1 **Article - Transportation**

2 17-106.

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

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

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

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

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

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

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

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

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

23 B. 50% to the Administration].

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

26 1. [In Fiscal Year 1994:

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

28 B. The balance to the General Fund.

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

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

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

3

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

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

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

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

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

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

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

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

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

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

25 **Article - Transportation**

26 17-106.

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

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

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

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

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

4

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

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

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

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

8 B. 50% to the Administration].

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

11 1. [In Fiscal Year 1994:

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

13 B. The balance to the General Fund.

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

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

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

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

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

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

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

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

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

34 (iii) Regardless of whether money or other valuable consideration is
35 involved in the transfer, if title to a vehicle is transferred by an individual who has
36 violated this subtitle to a family member, any suspension of the vehicle's registration that

HOUSE BILL 171

5

1 occurred before the transfer shall continue as if no transfer had occurred and a new
2 registration may not be issued until the penalty fee is paid.

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

6 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act is
7 contingent on the taking effect of the termination provision specified in Section 4 of
8 Chapter 459 of the Acts of the General Assembly of 1994. If that termination provision
9 takes effect, Section 1 of this Act shall be void. This Act may not be interpreted to have
10 any effect on that termination provision.

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