

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1322 (Delegate Busch)
Economic Matters

Referred to Finance

**Vehicle Laws - Replacement Vehicles - Required Security - Task Force to Examine
Liability Insurance on Rental Vehicles**

This enrolled bill establishes that the owner of a “replacement vehicle” can maintain an insurance policy that is excess to any other insurance policy and extends coverage to the owner’s vehicle while it is used as a replacement vehicle to satisfy required security requirements on the vehicle. Current law requires the owner to provide security that provides the same minimum benefits as the security required by Title 17 of the Transportation Article. The renter or individual to whom a replacement vehicle is loaned must sign an agreement that informs the individual that the insurance coverage provided by the owner is excess only.

The bill creates a seven-member task force to review the liability insurance issues, including primary coverage, involved in the rental of motor vehicles in the State and to develop recommendations to reduce costs and confusion.

Fiscal Summary

State Effect: None. Members of the task force would not be compensated and the Departments of Fiscal Services and Legislative Reference could handle the staffing requirements within existing resources.

Local Effect: None.

Information Source(s): Department of Transportation (Motor Vehicle Administration),
Department of Fiscal Services

Fiscal Note History: First Reader - March 8, 1996
ncs Revised - House Third Reader - April 1, 1996
Revised - Enrolled Bill - June 18, 1996

Analysis by: Paul Ballou
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710