

HOUSE BILL 548

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1998 Regular Session
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By: **Delegates Benson, R. Baker, Cadden, Conroy, Donoghue, Dypski,
Edwards, Faulkner, Finifter, Franchot, Getty, Grosfeld, Harkins,
Howard, Hubbard, Hurson, Hutchins, Kagan, Kopp, Leopold, Mandel,
Miller, Patterson, Pitkin, Stup, Workman, Snodgrass, and Goldwater**

Introduced and read first time: February 5, 1998
Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 10, 1998

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws - Improperly Registered Motor Vehicles - Registration**
3 **Enforcement Program**

4 FOR the purpose of establishing a grant program under which certain law
5 enforcement agencies would target motor vehicles improperly registered
6 out-of-state; requiring the Secretary of State Police to administer the program;
7 establishing a special, nonlapsing fund known as the Motor Vehicle Registration
8 Enforcement Fund; dedicating certain revenues to the fund and providing for
9 the fund's administration; requiring that a law enforcement agency that is
10 awarded a grant from the fund comply with certain requirements; defining
11 certain terms; providing for the termination of this Act; providing for a certain
12 contingency; declaring the intent of the General Assembly; and generally
13 relating to the establishment of a program to target improperly registered motor
14 vehicles in the State.

15 BY repealing and reenacting, without amendments,
16 Article 88B - Department of State Police
17 Section 2(3), (6), and (10)
18 Annotated Code of Maryland
19 (1995 Replacement Volume and 1997 Supplement)

20 BY adding to
21 Article 88B - Department of State Police
22 Section 76 through 80, inclusive, to be under the heading designation "Motor

1 Vehicle Registration Enforcement Fund"
 2 Annotated Code of Maryland
 3 (1995 Replacement Volume and 1997 Supplement)

4 ~~BY adding to~~
 5 ~~Article - Transportation~~
 6 ~~Section 12-104.2~~
 7 ~~Annotated Code of Maryland~~
 8 ~~(1995 Replacement Volume and 1997 Supplement)~~

9 BY repealing and reenacting, with amendments,
 10 Article - Transportation
 11 Section ~~12-118(b)~~ and 17-106(e)
 12 Annotated Code of Maryland
 13 (1992 Replacement Volume and 1997 Supplement)

14 BY repealing and reenacting, with amendments,
 15 Article - Transportation
 16 Section 17-106(e)
 17 Annotated Code of Maryland
 18 (1992 Replacement Volume and 1997 Supplement)
 19 (As enacted by Chapter 459 of the Acts of the General Assembly of 1994, as
 20 amended by Chapter 195 of the Acts of the General Assembly of 1996)

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

23 **Article 88B - Department of State Police**

24 2.

25 The following words shall have the meanings contained in this section unless
 26 the context manifestly indicates a different meaning:

27 (3) "Department" means the Department of State Police.

28 (6) "Motor vehicle" means a motor vehicle as defined in the Maryland
 29 Vehicle Law.

30 (10) "Secretary" means the Secretary of the State Police.

31 **MOTOR VEHICLE REGISTRATION ENFORCEMENT FUND**

32 76.

33 (A) IN THIS SUBHEADING THE FOLLOWING WORDS HAVE THE MEANINGS
 34 INDICATED.

1 (B) "FUND" MEANS THE MOTOR VEHICLE REGISTRATION ENFORCEMENT
2 FUND.

3 (C) "IMPROPERLY REGISTERED MOTOR VEHICLE" ~~HAS THE MEANING STATED~~
4 ~~IN § 12-104.2 OF THE TRANSPORTATION ARTICLE~~ MEANS A MOTOR VEHICLE THAT:

5 (1) IS OWNED BY OR IN THE CUSTODY OF A PERSON WHO RESIDES IN
6 THE STATE;

7 (2) IS REGISTERED IN ANOTHER STATE; AND

8 (3) DOES NOT QUALIFY FOR AN EXEMPTION FROM THE REGISTRATION
9 REQUIREMENTS UNDER § 13-402 OR § 13-402.1 OF THE TRANSPORTATION ARTICLE.

10 (D) (1) "LAW ENFORCEMENT AGENCY" MEANS THE DEPARTMENT OR A
11 COUNTY OR MUNICIPAL POLICE DEPARTMENT.

12 (2) "LAW ENFORCEMENT AGENCY" INCLUDES A SHERIFF'S
13 DEPARTMENT IN THOSE COUNTIES WHERE THE SHERIFF'S DEPARTMENT IS THE
14 PRIMARY LOCAL LAW ENFORCEMENT AGENCY.

15 77.

16 (A) THERE IS A MOTOR VEHICLE REGISTRATION ENFORCEMENT FUND.

17 (B) THE FUND IS A SPECIAL NONLAPSING FUND THAT IS ADMINISTERED BY
18 THE SECRETARY AND IS INTENDED TO ASSIST LAW ENFORCEMENT AGENCIES IN
19 ENFORCING THE LAWS OF THE STATE RELATING TO IMPROPERLY REGISTERED
20 MOTOR VEHICLES.

21 (C) THE FUND CONSISTS OF:

22 (1) ~~MONEY CREDITED TO THE FUND UNDER § 12-118(B) OF THE~~
23 ~~TRANSPORTATION ARTICLE;~~

24 (2) MONEY CREDITED TO THE FUND UNDER § 17-106(E) OF THE
25 TRANSPORTATION ARTICLE;

26 (3) (2) EARNINGS FROM THE INVESTMENT OF MONEY OF THE FUND;
27 AND

28 (4) (3) ANY OTHER MONEY ACCEPTED FOR THE BENEFIT OF THE
29 FUND FROM ANY GOVERNMENTAL OR PRIVATE SOURCE.

30 (D) (1) THE STATE TREASURER SHALL HOLD THE FUND AND SHALL INVEST
31 THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE
32 INVESTED AND THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND IN
33 CONJUNCTION WITH THE DEPARTMENT.

1 (2) THE DEPARTMENT SHALL RECEIVE 10% OF THE TOTAL REVENUE
2 CREDITED TO THE FUND EACH FISCAL YEAR, NOT TO EXCEED \$40,000 IN ANY FISCAL
3 YEAR, TO OFFSET ITS COSTS IN ADMINISTERING THIS SUBHEADING.

4 (3) THE FUND IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
5 PROCUREMENT ARTICLE.

6 (4) GRANTS SHALL BE AWARDED TO LAW ENFORCEMENT AGENCIES
7 FROM THE FUND AS AUTHORIZED BY THE SECRETARY.

8 (E) EXPENDITURES FROM THE FUND MAY ONLY BE MADE:

9 (1) PURSUANT TO AN APPROPRIATION APPROVED BY THE GENERAL
10 ASSEMBLY IN THE ANNUAL STATE BUDGET; OR

11 (2) BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209
12 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, PROVIDED THAT;

13 (I) THE BUDGET AMENDMENT AND SUPPORTING INFORMATION
14 HAVE BEEN SUBMITTED TO THE BUDGET COMMITTEES FOR THEIR REVIEW AND
15 COMMENT; AND

16 (II) AT LEAST 45 DAYS HAVE ELAPSED FROM THE TIME THE
17 BUDGET AMENDMENT AND SUPPORTING INFORMATION WERE SUBMITTED TO THE
18 BUDGET COMMITTEES.

19 78.

20 (A) THE SECRETARY SHALL ESTABLISH PROCEDURES FOR LAW
21 ENFORCEMENT AGENCIES TO APPLY FOR GRANTS FROM THE FUND AND FOR THE
22 EVALUATION OF PROGRESS IN ADDRESSING THE PROBLEM OF IMPROPERLY
23 REGISTERED MOTOR VEHICLES.

24 (B) (1) IN AWARDING GRANTS FROM THE FUND, THE SECRETARY SHALL
25 CONSIDER:

26 (I) THE EXTENT OF THE PROBLEM OF IMPROPERLY REGISTERED
27 MOTOR VEHICLES IN THE AREA IDENTIFIED BY THE LAW ENFORCEMENT AGENCY
28 APPLYING FOR A GRANT;

29 (II) THE LAW ENFORCEMENT AGENCY'S GOALS AND PLANS WITH
30 RESPECT TO ENHANCED ENFORCEMENT EFFORTS RELATED TO IMPROPERLY
31 REGISTERED MOTOR VEHICLES; AND

32 (III) OTHER FACTORS RELATING TO THE PROBLEM OF IMPROPERLY
33 REGISTERED MOTOR VEHICLES IN THE STATE THAT THE SECRETARY CONSIDERS
34 REASONABLE.

35 (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT GRANTS BE
36 DISTRIBUTED TO LAW ENFORCEMENT AGENCIES THROUGHOUT THE STATE BASED

1 ON THE EXTENT OF THE PROBLEM OF IMPROPERLY REGISTERED MOTOR VEHICLES
2 AS DETERMINED BY THE SECRETARY.

3 79.

4 A LAW ENFORCEMENT AGENCY THAT IS AWARDED A GRANT UNDER THIS
5 SUBHEADING:

6 (1) MAY USE THE GRANT SOLELY IN ACCORDANCE WITH THE TERMS OF
7 THE GRANT FOR ENFORCEMENT EFFORTS RELATED TO IMPROPERLY REGISTERED
8 MOTOR VEHICLES;

9 (2) MAY NOT USE THE GRANT AS A SUBSTITUTE FOR MONEY THAT
10 OTHERWISE WOULD BE AVAILABLE AND USED BY THE LAW ENFORCEMENT AGENCY
11 FOR PURPOSES RELATED TO IMPROPERLY REGISTERED MOTOR VEHICLES; AND

12 (3) SHALL COMPLY WITH REPORTING REQUIREMENTS ESTABLISHED BY
13 THE SECRETARY FOR PURPOSES OF EVALUATING THE LAW ENFORCEMENT
14 AGENCY'S EFFORTS UNDER THE GRANT AND EFFORTS THROUGHOUT THE STATE
15 UNDER THIS SUBHEADING.

16 80.

17 THE SECRETARY SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246
18 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON OR BEFORE
19 MARCH 1, 2000, AND ON OR BEFORE MARCH 1 OF EACH YEAR THEREAFTER ON:

20 (1) THE STATUS OF THE FUND;

21 (2) THE GRANTS AWARDED UNDER THIS SUBHEADING; AND

22 (3) THE EFFECT OF THIS SUBHEADING IN REDUCING THE NUMBER OF
23 IMPROPERLY REGISTERED MOTOR VEHICLES IN THE STATE.

24 **Article - Transportation**

25 ~~12-104.2.~~

26 (A) ~~IN THIS SECTION, "IMPROPERLY REGISTERED MOTOR VEHICLE" MEANS A~~
27 ~~MOTOR VEHICLE THAT:~~

28 (1) ~~IS OWNED OR IN THE CUSTODY OF A PERSON WHO RESIDES IN THE~~
29 ~~STATE;~~

30 (2) ~~IS REGISTERED IN ANOTHER STATE; AND~~

31 (3) ~~DOES NOT QUALIFY FOR AN EXEMPTION FROM THE REGISTRATION~~
32 ~~REQUIREMENTS UNDER § 13-402 OR § 13-402.1 OF THIS ARTICLE.~~

33 (B) ~~IF A LAW ENFORCEMENT OFFICER ISSUES A CITATION FOR AN~~
34 ~~IMPROPERLY REGISTERED MOTOR VEHICLE AND THE IMPROPERLY REGISTERED~~

~~1 MOTOR VEHICLE IS SUBSEQUENTLY REGISTERED UNDER TITLE 13 OF THIS ARTICLE;
2 50% OF THE EXCISE TAX COLLECTED BY THE ADMINISTRATION IN REGISTERING THE
3 IMPROPERLY REGISTERED MOTOR VEHICLE SHALL BE CREDITED TO THE MOTOR
4 VEHICLE REGISTRATION ENFORCEMENT FUND ESTABLISHED UNDER ARTICLE 88B, §
5 77 OF THE CODE.~~

~~6 12-118.~~

~~7 (b) Out of the money remitted to the State Comptroller under the Maryland
8 Vehicle Law, the State Comptroller shall:~~

~~9 (1) Pay or retain enough to pay all refunds of taxes or fees provided for in
10 the Maryland Vehicle Law;~~

~~11 (2) Credit to the Gasoline and Motor Vehicle Revenue Account of the
12 Transportation Trust Fund the revenues specified in § 8-402 of this article, after
13 retaining enough to pay:~~

~~14 (i) The salaries and other expenses of the State Highway
15 Administration in enforcing Title 24 of this article;~~

~~16 (ii) The salaries and other expenses of the Commercial Vehicle
17 Enforcement Division of the Department of State Police as approved by the
18 Department in enforcing Title 24 of this article, the provisions of the Tax—General
19 Article on the motor carrier tax, and the provisions of Title 10 of the Business
20 Regulation Article on motor fuel fraud and motor fuel tax fraud;~~

~~21 (iii) Funds required, in addition to the funding provided in § 13-804,
22 for the salaries and other expenses of the Automotive Safety Enforcement Division of
23 the Department of State Police as approved by the Department in enforcing Title 23 of
24 this article and Subtitle 6 of Title 22 of this article; and~~

~~25 (iv) The salaries and other expenses of the Department of State
26 Police and other State agencies, as approved by the Department, in enforcing the
27 provisions of § 25-111 of this article; [and]~~

~~28 (3) CREDIT TO THE MOTOR VEHICLE REGISTRATION ENFORCEMENT
29 FUND THE REVENUES SPECIFIED IN § 12-104.2 OF THIS SUBTITLE; AND~~

~~30 (4) Credit the balance to the Transportation Trust Fund.~~

~~31 17-106.~~

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

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
4 \$2,500 for each violation in a 12-month period.

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

7 1. 70% to be allocated to the Vehicle Theft Prevention Fund,
8 the Maryland Automobile Insurance Fund, THE MOTOR VEHICLE REGISTRATION
9 ENFORCEMENT FUND, and the General Fund as provided in subparagraph (ii) of this
10 paragraph; and

11 2. 30% to the Administration.

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

14 1. \$2,000,000 to the Vehicle Theft Prevention Fund
15 established under Article 88B, § 74 of the Code;

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

22 3. ~~\$300,000~~ \$400,000 TO THE MOTOR VEHICLE REGISTRATION
23 ENFORCEMENT FUND EACH FISCAL YEAR, STARTING IN FISCAL YEAR 1999 AND
24 CONTINUING THROUGH FISCAL YEAR 2003; AND

25 4. The balance to the General Fund.

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

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

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

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

34 (4) (i) In this paragraph, "family member" means any individual
35 whose relationship to the vehicle owner is one of those listed under § 13-810(b)(1) of

1 this article as being exempt from paying the excise tax imposed on the transfer of a
2 vehicle.

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

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

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

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

15 **Article - Transportation**

16 17-106.

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

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

25 (iii) The penalty imposed under this subsection may not exceed
26 \$2,500 for each violation in a 12-month period.

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

29 1. 70% to be allocated to the Maryland Automobile Insurance
30 Fund, THE MOTOR VEHICLE REGISTRATION ENFORCEMENT FUND, and the General
31 Fund as provided in subparagraph (ii) of this paragraph; and

32 2. 30% to the Administration.

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

35 1. The amount distributed to the Maryland Automobile
36 Insurance Fund in the prior fiscal year under the provisions of this subparagraph

1 Department of State Police shall consult with the Motor Vehicle Administration, the
2 Maryland Municipal League, the Maryland Association of Counties, and the
3 Maryland Chiefs of Police Association on the implementation of Section 1 of this Act
4 and that, by January 1999, the grant program established under Section 1 of this Act
5 shall be implemented.

6 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions
7 of Section 3 of this Act, this Act shall take effect July 1, 1998. It shall remain effective
8 for a period of 5 years and, at the end of June 30, 2003, with no further action
9 required by the General Assembly, this Act shall be abrogated and of no further force
10 or effect. Any balance in the Motor Vehicle Registration Enforcement Fund after June
11 30, 2003 shall be transferred to the State's Transportation Trust Fund.