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By: **Delegates Dypski, Fulton, Hammen, Krysiak, and Boston**

Introduced and read first time: February 13, 1998

Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Traffic Stops - Proof of Insurance**

3 FOR the purpose of requiring the owner of a motor vehicle required to be registered in  
4 the State to maintain in the motor vehicle at all times proof that the motor  
5 vehicle possesses the required insurance coverage; exempting certain owners  
6 from the requirement to maintain proof of insurance in the vehicle; prohibiting  
7 the imposition of certain penalties for failure to maintain proof of insurance in  
8 the vehicle; requiring a police officer who detains a driver for a certain reason to  
9 request proof that the vehicle has insurance coverage; exempting certain drivers  
10 from the requirement to prove that the vehicle has insurance under certain  
11 circumstances; requiring the police officer to provide the driver with a certain  
12 form when the driver cannot provide proof of insurance; requiring an owner to  
13 prove to the Motor Vehicle Administration that the vehicle is insured under  
14 certain circumstances, in a certain manner, and by a certain date; prescribing a  
15 certain presumption against the owner under certain circumstances;  
16 authorizing the owner to rebut or mitigate the presumption under certain  
17 circumstances in a certain manner; and generally relating to proof of insurance  
18 for a motor vehicle.

19 BY repealing and reenacting, with amendments,  
20 Article - Transportation  
21 Section 17-104  
22 Annotated Code of Maryland  
23 (1992 Replacement Volume and 1997 Supplement)

24 BY adding to  
25 Article - Transportation  
26 Section 17-108.1  
27 Annotated Code of Maryland  
28 (1992 Replacement Volume and 1997 Supplement)

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

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**Article - Transportation**

2 17-104.

3 (a) The Administration may not issue or transfer the registration of a motor  
4 vehicle unless the owner or prospective owner of the vehicle furnishes evidence  
5 satisfactory to the Administration that the required security is in effect.

6 (b) The owner of a motor vehicle that is required to be registered in this State  
7 shall maintain the required security for the vehicle during the registration period.

8 (C) (1) EXCEPT FOR THE OWNER OF A MOTOR VEHICLE OFFERED FOR RENT  
9 UNDER TITLE 18 OF THIS ARTICLE, THE OWNER OF A MOTOR VEHICLE THAT IS  
10 REQUIRED TO BE REGISTERED IN THIS STATE SHALL MAINTAIN IN THE MOTOR  
11 VEHICLE AT ALL TIMES PROOF OF THE REQUIRED SECURITY FOR THE MOTOR  
12 VEHICLE.

13 (2) FAILURE TO MAINTAIN PROOF OF THE REQUIRED SECURITY IN THE  
14 MOTOR VEHICLE IS NOT:

15 (I) A MOVING VIOLATION FOR PURPOSES OF ASSESSING POINTS  
16 UNDER § 16-402 OF THIS ARTICLE; OR

17 (II) A MISDEMEANOR FOR PURPOSES OF § 27-101 OF THIS ARTICLE.

18 [(c)] (D) (1) In this subsection, "replacement vehicle" means a vehicle that is  
19 loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to  
20 use while a vehicle owned by the individual is not in use because of loss, as "loss" is  
21 defined in that individual's applicable private passenger automobile insurance policy  
22 or because of breakdown, repair, service, or damage.

23 (2) Subject to paragraph (3) of this subsection, an owner of a replacement  
24 vehicle may satisfy the requirement of subsection (a) of this section by maintaining  
25 the required security described in § 17-103 of this subtitle that is secondary to any  
26 other valid and collectible coverage and that extends coverage in amounts required  
27 under § 17-103(b) of this subtitle to the owner's vehicle while it is used as a  
28 replacement vehicle.

29 (3) If an owner of a replacement vehicle provides coverage as provided  
30 under paragraph (2) of this subsection, the agreement for the replacement vehicle to  
31 be signed by the renter or the individual to whom the vehicle is loaned shall contain  
32 a provision on the face of the agreement, in at least 10 point bold type, that informs  
33 the individual that the coverage on the vehicle being serviced or repaired is primary  
34 coverage for the replacement vehicle and the coverage maintained by the owner on  
35 the replacement vehicle is secondary.

36 17-108.1.

37 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,  
38 WHEN A POLICE OFFICER DETAINS A DRIVER OF A MOTOR VEHICLE FOR A

1 SUSPECTED VIOLATION OF A PROVISION OF THE VEHICLE LAWS, THE POLICE  
2 OFFICER SHALL REQUEST THE DRIVER TO PROVIDE PROOF OF INSURANCE FOR THE  
3 MOTOR VEHICLE.

4 (2) IF THE POLICE OFFICER DETERMINES THAT NEITHER THE DRIVER  
5 NOR A PASSENGER IS THE REGISTERED OWNER OF THE MOTOR VEHICLE, THIS  
6 SECTION DOES NOT APPLY.

7 (B) IF THE OWNER OF THE MOTOR VEHICLE DOES NOT PROVIDE PROOF OF  
8 INSURANCE, THE POLICE OFFICER SHALL PROVIDE THE OWNER A FORM  
9 PRESCRIBED BY THE ADMINISTRATION FOR THE PURPOSE OF PROVING THAT THE  
10 MOTOR VEHICLE HAS INSURANCE COVERAGE.

11 (C) THE REGISTERED OWNER SHALL SUBMIT PROOF OF INSURANCE WITHIN  
12 30 DAYS OF THE DETENTION UNDER SUBSECTION (A) OF THIS SECTION ON A FORM  
13 PRESCRIBED BY THE ADMINISTRATION AND CERTIFIED BY AN INSURER OR AGENT.

14 (D) (1) FAILURE OF THE OWNER TO COMPLY WITH SUBSECTION (C) OF THIS  
15 SECTION IS PRIMA FACIE EVIDENCE THAT THE MOTOR VEHICLE HAS BEEN  
16 UNINSURED SINCE THE EFFECTIVE DATE OF THE MOTOR VEHICLE'S MOST RECENT  
17 REGISTRATION.

18 (2) A MOTOR VEHICLE OWNER WHO HAS MAINTAINED THE REQUIRED  
19 SECURITY, BUT WHO HAS FAILED TO SUBMIT THE REQUIRED PROOF WITHIN THE  
20 30-DAY PERIOD, MAY SUBMIT THE REQUIRED PROOF TO REBUT THE PRESUMPTION  
21 MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION.

22 (3) A MOTOR VEHICLE OWNER AGAINST WHOM A PRESUMPTION HAS  
23 BEEN MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY SUBMIT PROOF THAT  
24 THE OWNER'S LAPSE IN REQUIRED SECURITY HAS BEEN FOR A PERIOD OF SHORTER  
25 DURATION THAN THE PERIOD SPECIFIED IN THE PRESUMPTION.

26 (4) NOTHING IN THIS SECTION PREVENTS THE ADMINISTRATION FROM  
27 ASSESSING A PENALTY CALCULATED ON THE ENTIRE PERIOD OF A LAPSE IN  
28 REQUIRED SECURITY SINCE THE EFFECTIVE DATE OF THE MOTOR VEHICLE'S MOST  
29 RECENT REGISTRATION.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 1998.