

HOUSE BILL 1274

Unofficial Copy  
R4

1998 Regular Session  
(8lr2557)

**ENROLLED BILL**  
-- Commerce and Government Matters/Finance --

Introduced by **Delegate McClenahan**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Vehicle Laws - Motor Vehicle Administration - Reporting of Insurance**  
3 **Policies Issued - Recovery of Evidence of Registration ~~or Renewed - Reports~~**

4 FOR the purpose of authorizing the Motor Vehicle Administration (MVA) to establish  
5 and implement a system for each insurer or provider of the required vehicle  
6 security to report to the Administration all policies issued ~~or renewed for~~  
7 ~~licensed drivers~~ for vehicles registered in the State; authorizing the use of  
8 certain funds distributed to the Administration to fund certain contracts with  
9 independent agents; prohibiting certain expenditures from exceeding a certain  
10 amount; providing that certain expenditures may be made only pursuant to a  
11 certain appropriation or through a certain budget amendment procedure;  
12 requiring the MVA to operate the reporting system and not contract with an  
13 outside entity for its operation; prohibiting the disclosure of certain insurance  
14 information; restricting mandatory reporting prior to a certain date; and  
15 generally relating to lapse of required security reports to the Motor Vehicle  
16 Administration of insurance policies issued for vehicles registered in the State  
17 the reporting of insurance policies issued, the use of funds for the recovery of

1 evidences of registration, and the Motor Vehicle Administration.

2 BY repealing and reenacting, without amendments,

3 Article - Transportation

4 Section 17-106(d)(3)

5 Annotated Code of Maryland

6 (1992 Replacement Volume and 1997 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article - Transportation

9 Section 17-106(e)(2)(i)2.

10 Annotated Code of Maryland

11 (1992 Replacement Volume and 1997 Supplement)

12 BY adding to

13 Article - Transportation

14 Section ~~17-106(f)~~ and ~~17-106(f)~~ 17-106.1

15 Annotated Code of Maryland

16 (1992 Replacement Volume and 1997 Supplement)

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

19 **Article - Transportation**

20 17-106.

21 (d) (3) The Administration may enter into contracts with private parties to  
22 procure the services of independent agents to assist in the recovery of the evidences of  
23 registration as authorized in paragraph (2) of this subsection.

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

26 2. 30% to the Administration, WHICH MAY BE USED BY THE  
27 ADMINISTRATION, SUBJECT TO SUBSECTION (F) OF THIS SECTION, TO PROVIDE  
28 FUNDING FOR CONTRACTS WITH INDEPENDENT AGENTS TO ASSIST IN THE  
29 RECOVERY OF EVIDENCES OF REGISTRATION AS AUTHORIZED IN SUBSECTION (D)(3)  
30 OF THIS SECTION.

31 (F) FROM THE AMOUNT DISTRIBUTED TO THE ADMINISTRATION UNDER  
32 SUBSECTION (E)(2)(I)2 OF THIS SECTION, EXPENDITURES TO FUND CONTRACTS  
33 ENTERED INTO UNDER SUBSECTION (D)(3) OF THIS SECTION:

34 (1) MAY NOT EXCEED \$1,000,000 IN ANY FISCAL YEAR; AND

35 (2) MAY BE MADE ONLY:

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

3 (II) THROUGH THE BUDGET AMENDMENT PROCEDURE PROVIDED  
4 FOR IN § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, PROVIDED  
5 THAT:

6 1. THE BUDGET AMENDMENT AND SUPPORTING  
7 INFORMATION HAVE BEEN SUBMITTED TO THE BUDGET COMMITTEES FOR REVIEW  
8 AND COMMENT; AND

9 2. AT LEAST 45 DAYS HAVE ELAPSED FROM THE TIME THE  
10 BUDGET AMENDMENT AND SUPPORTING INFORMATION WERE SUBMITTED TO THE  
11 BUDGET COMMITTEES.

12 ~~47-106. 17-106.1.~~

13 ~~(F) (A) BEFORE JULY 1, 1999,~~ THE ADMINISTRATION MAY ESTABLISH AND  
14 IMPLEMENT A SYSTEM FOR EACH INSURER OR OTHER PROVIDER OF THE SECURITY  
15 REQUIRED BY § ~~17-203~~ 17-103 OF THIS ARTICLE SUBTITLE TO REPORT TO THE  
16 ADMINISTRATION ALL POLICIES ISSUED ~~OR RENEWED FOR DRIVERS LICENSED FOR~~  
17 VEHICLES REGISTERED IN THE STATE.

18 (B) (1) THE ADMINISTRATION SHALL OPERATE THE REPORTING SYSTEM  
19 DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION AND MAY NOT CONTRACT  
20 WITH AN OUTSIDE ENTITY FOR THE OPERATION OF THE SYSTEM.

21 (2) PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE CONSTRUED TO  
22 PROHIBIT THE ADMINISTRATION FROM CONTRACTING WITH AN OUTSIDE ENTITY  
23 FOR THE DESIGN OR DEVELOPMENT OF THE REPORTING SYSTEM AUTHORIZED  
24 UNDER SUBSECTION (A) OF THIS SECTION.

25 (C) THE ADMINISTRATION MAY NOT DISCLOSE OR ALLOW THE BULK  
26 PURCHASE OF ANY INSURANCE INFORMATION SUBMITTED BY INSURERS OR OTHER  
27 PROVIDERS UNDER A REPORTING SYSTEM ESTABLISHED UNDER SUBSECTION (A) OF  
28 THIS SECTION.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Motor Vehicle  
30 Administration initially shall implement and test the reporting system authorized  
31 under Section 1 of this Act using insurers that have volunteered to participate in the  
32 system and may not require mandatory participation by any insurer in the reporting  
33 system before July 1, 2000.

34 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
35 effect October 1, 1998.

