

SENATE BILL 776

Unofficial Copy
R4

1998 Regular Session
(8lr2774)

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

Introduced by **Senator Bromwell**

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.

President.

CHAPTER _____

1 AN ACT concerning

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

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

1 funds for the recovery of evidences of registration, and the Motor Vehicle
 2 Administration.

3 BY repealing and reenacting, without amendments,
 4 Article - Transportation
 5 Section 17-106(d)(3)
 6 Annotated Code of Maryland
 7 (1992 Replacement Volume and 1997 Supplement)

8 BY repealing and reenacting, with amendments,
 9 Article - Transportation
 10 Section 17-106(e)(2)(i)2.
 11 Annotated Code of Maryland
 12 (1992 Replacement Volume and 1997 Supplement)

13 BY adding to
 14 Article - Transportation
 15 Section 17-106.1 and 17-106(f)
 16 Annotated Code of Maryland
 17 (1992 Replacement Volume and 1997 Supplement)

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

20 **Article - Transportation**

21 17-106.

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

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

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

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

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

1 (2) MAY BE MADE ONLY:

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

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

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

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

13 17-106.1.

14 (A) THE ADMINISTRATION MAY ESTABLISH AND IMPLEMENT A SYSTEM FOR
15 EACH INSURER OR OTHER PROVIDER OF THE SECURITY REQUIRED BY § 17-103 OF
16 THIS SUBTITLE TO REPORT TO THE ADMINISTRATION ALL POLICIES ISSUED ~~OR~~
17 ~~RENEWED FOR DRIVERS LICENSED~~ FOR 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.

