
By: **Senator Bromwell**
Introduced and read first time: March 6, 1998
Assigned to: Rules
Re-referred to: Finance, March 11, 1998

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 26, 1998

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 to establish and
6 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; authorizing the use of certain funds
9 distributed to the Administration to fund certain contracts with independent
10 agents; prohibiting certain expenditures from exceeding a certain amount;
11 providing that certain expenditures may be made only pursuant to a certain
12 appropriation or through a certain budget amendment procedure; prohibiting
13 the Administration from requiring the participation of any insurer in the
14 reporting system established under this Act until a certain date; and generally
15 relating to the reporting of insurance policies issued ~~or renewed to~~, the use of
16 funds for the recovery of evidences of registration, and the Motor Vehicle
17 Administration.

18 BY repealing and reenacting, without amendments,
19 Article - Transportation
20 Section 17-106(d)(3)
21 Annotated Code of Maryland
22 (1992 Replacement Volume and 1997 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Transportation

1 Section 17-106(e)(2)(i)2.
2 Annotated Code of Maryland
3 (1992 Replacement Volume and 1997 Supplement)

4 BY adding to
5 Article - Transportation
6 Section 17-106.1 and 17-106(f)
7 Annotated Code of Maryland
8 (1992 Replacement Volume and 1997 Supplement)

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

11 **Article - Transportation**

12 17-106.

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

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

18 2. 30% to the Administration, WHICH MAY BE USED BY THE
19 ADMINISTRATION, SUBJECT TO SUBSECTION (F) OF THIS SECTION, TO PROVIDE
20 FUNDING FOR CONTRACTS WITH INDEPENDENT AGENTS TO ASSIST IN THE
21 RECOVERY OF EVIDENCES OF REGISTRATION AS AUTHORIZED IN SUBSECTION (D)(3)
22 OF THIS SECTION.

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

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

27 (2) MAY BE MADE ONLY:

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

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

33 1. THE BUDGET AMENDMENT AND SUPPORTING
34 INFORMATION HAVE BEEN SUBMITTED TO THE BUDGET COMMITTEES FOR REVIEW
35 AND COMMENT; AND

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

4 17-106.1.

5 THE ADMINISTRATION MAY ESTABLISH AND IMPLEMENT A SYSTEM FOR EACH
6 INSURER OR OTHER PROVIDER OF THE SECURITY REQUIRED BY § 17-103 OF THIS
7 SUBTITLE TO REPORT TO THE ADMINISTRATION ALL POLICIES ISSUED ~~OR RENEWED~~
8 ~~FOR DRIVERS LICENSED~~ FOR VEHICLES REGISTERED IN THE STATE.

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

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