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By: **Delegates Glassman and Riley**  
Introduced and read first time: January 30, 2002  
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles - Salvage Vehicles - Distribution of Fees**

3 FOR the purpose of altering the distribution by the Motor Vehicle Administration of  
4 certain fees charged for certain inspections of salvage vehicles to require  
5 distribution to the Auto Theft Unit of the Department of State Police; providing  
6 for the effective date of this Act; and generally relating to salvage vehicles and  
7 the distribution of fees.

8 BY repealing and reenacting, with amendments,  
9 Article 88B - Department of State Police  
10 Section 74  
11 Annotated Code of Maryland  
12 (1998 Replacement Volume and 2001 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article - Transportation  
15 Section 13-507  
16 Annotated Code of Maryland  
17 (1999 Replacement Volume and 2001 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article - Transportation  
20 Section 13-507  
21 Annotated Code of Maryland  
22 (1999 Replacement Volume and 2001 Supplement)  
23 (As enacted by Chapter 459 of the Acts of the General Assembly of 1994)

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

**Article 88B - Department of State Police**1  
2 74.

3 (a) There is established a Vehicle Theft Prevention Fund.

4 (b) The Fund is a special nonlapsing fund and shall consist of:

5 (1) All money received under [ §§ 13-507 and ] § 17-106 of the  
6 Transportation Article; and7 (2) All money received by the Council or the Fund from any source,  
8 including gifts, grants, awards, or money from the federal or State government, a  
9 local government, or association, organization, or other private source.

10 (c) (1) Money received by the Council shall be placed in the Fund.

11 (2) The State Treasurer shall hold and the State Comptroller shall  
12 account for the funds.

13 (3) The proceeds of the Fund shall be invested and reinvested.

14 (4) Any investment earnings shall be paid into the Fund.

15 (d) Money in the Fund shall be expended by the Council in the following order  
16 of priority:

17 (1) To pay the costs of the Council; and

18 (2) To carry out the purposes and objectives of this subtitle.

19 (e) The Council shall consider and prioritize the following entities and  
20 programs when making awards from the Fund:21 (1) State and local law enforcement agencies, to enhance or augment  
22 vehicle theft enforcement and prevention teams or efforts;23 (2) State and local law enforcement agencies, for programs designed to  
24 reduce the incidence of vehicle theft;25 (3) Local prosecutors and judicial agencies, for enhanced prosecution and  
26 adjudication of vehicle theft crimes;27 (4) Neighborhood or community organizations or business organizations,  
28 for programs designed to reduce the incidence of vehicle theft;29 (5) Educational programs designed to inform motor vehicle owners of  
30 methods of preventing motor vehicle theft and to provide equipment, for experimental  
31 purposes, to enable motor vehicle owners to prevent motor vehicle theft;

1 (6) Programs designed to reduce the incidence of juvenile vehicle theft  
2 and juvenile recidivism; and

3 (7) Programs designed to reduce or deter damage or vandalism to a  
4 vehicle in connection with a vehicle theft or theft of property from a vehicle.

5 (f) The grants and awards made under this section shall, to the extent  
6 practicable, be allocated among the subdivisions of the State on a pro rata basis  
7 determined by the percentage of the total number of vehicles registered in the State  
8 that are registered in each subdivision.

9 (g) The Fund is not subject to § 7-302 of the State Finance and Procurement  
10 Article.

11 (h) (1) Expenditures from the Fund may only be made:

12 (i) Pursuant to an appropriation approved by the General  
13 Assembly in the annual State budget; or

14 (ii) By the budget amendment procedure provided for in § 7-209 of  
15 the State Finance and Procurement Article, provided that:

16 1. The budget amendment and supporting information have  
17 been submitted to the budget committees for their review and comment; and

18 2. At least 45 days have elapsed.

19 (2) The proposed budget and any budget amendment submitted to the  
20 General Assembly shall include an itemized list of all grants, awards, and other  
21 expenditures from the Fund to be made in that fiscal year.

22 **Article - Transportation**

23 13-507.

24 (a) (1) An application for a certificate of title of a vehicle for which a salvage  
25 certificate has been issued shall be made by the owner of the vehicle on a form that  
26 the Administration requires.

27 (2) An application under paragraph (1) of this subsection shall be  
28 accompanied by:

29 (i) Except as provided in subsection (c)(3) of this section, the  
30 salvage certificate for the vehicle;

31 (ii) A certificate of inspection issued by a county police department  
32 or the Department of State Police; and

33 (iii) A certificate of inspection as required under Title 23 of this  
34 article.

1                   (3)    (i)    The Administration may establish a fee for an inspection under  
2 paragraph (2)(ii) of this subsection.

3                   (ii)    The fees collected under this paragraph shall be paid [into the  
4 Vehicle Theft Prevention Fund established under Article 88B, § 74 of the Code] TO  
5 THE AUTO THEFT UNIT OF THE DEPARTMENT OF STATE POLICE FOR THE PURPOSE  
6 OF RECOVERING THE COST OF ADMINISTERING THE SALVAGE INSPECTION  
7 PROGRAM AND MAY NOT BE CREDITED TO THE GASOLINE AND MOTOR VEHICLE  
8 REVENUE ACCOUNT FOR DISTRIBUTION UNDER §§ 8-403 OR 8-404 OF THIS ARTICLE.

9           (b)    (1)    The certificate of title issued by the Administration shall be:

10                   (i)    Issued in the name of the applicant; and

11                   (ii)   In a form as provided in this subsection.

12           (2)    The Administration shall issue a certificate of title that contains a  
13 conspicuous notation that the vehicle is "rebuilt salvage" if the salvage certificate  
14 accompanying the application:

15                   (i)    Bears a notation under § 13-506(c)(2)(ii)1 of this subtitle; or

16                   (ii)   Does not bear a notation under § 13-506(c)(2)(ii)2 of this  
17 subtitle.

18           (3)    The Administration shall issue a certificate of title that does not  
19 contain a notation under paragraph (2) of this subsection if the salvage certificate  
20 accompanying the application:

21                   (i)    Bears a notation under § 13-506(c)(2)(ii)2 of this subtitle;

22                   (ii)   Is issued before October 1, 1992 and the application is  
23 accompanied by a statement in writing from an insurance company that the cost to  
24 repair the vehicle was equal to or less than the fair market value of the vehicle prior  
25 to the vehicle sustaining damage; or

26                   (iii)   Is issued for a vehicle that is more than 7 model years old.

27           (c)    (1)    When an insurance company makes a claim settlement on a vehicle  
28 that has been stolen, the company shall apply for a salvage certificate as provided in  
29 § 13-506(c) of this subtitle.

30           (2)    On receipt of an application under this subsection, the  
31 Administration:

32                   (i)    Shall make the appropriate notation in its records; and

33                   (ii)   May not issue the salvage certificate until the vehicle is  
34 recovered.

1 (3) When a vehicle that has been stolen is recovered, the Administration  
2 shall:

3 (i) Issue a salvage certificate for the vehicle if the insurance  
4 company submits a certification under § 13-506(c)(2)(ii)1, 2, or 3 of this subtitle; or

5 (ii) Issue a certificate of title in lieu of a salvage certificate if the  
6 insurance company states that the vehicle has not sustained damage or has sustained  
7 only minor damage.

8 (4) The provisions of subsection (b) of this section apply to a certificate of  
9 title issued under this subsection.

10 (5) A vehicle for which a certificate of title was issued under paragraph  
11 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §  
12 13-810(a)(9) of this article.

13 (d) If the Administration receives an application for a certificate of title for a  
14 vehicle accompanied by an ownership document issued by another state containing a  
15 notation under the laws of the issuing state that the vehicle is in a condition that is  
16 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the  
17 certificate of title issued by the Administration shall contain a similar notation.

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

20 **Article - Transportation**

21 13-507.

22 (a) (1) An application for a certificate of title of a vehicle for which a salvage  
23 certificate has been issued shall be made by the owner of the vehicle on a form that  
24 the Administration requires.

25 (2) An application under paragraph (1) of this subsection shall be  
26 accompanied by:

27 (i) Except as provided in subsection (c)(3) of this section, the  
28 salvage certificate for the vehicle;

29 (ii) A certificate of inspection issued by a county police department  
30 or the Department of State Police; and

31 (iii) A certificate of inspection as required under Title 23 of this  
32 article.

33 (3) (i) The Administration may establish a fee for an inspection under  
34 paragraph (2)(ii) of this subsection.

1 (ii) The fees collected under this paragraph shall be [retained by  
2 the Administration] PAID TO THE AUTO THEFT UNIT OF THE DEPARTMENT OF STATE  
3 POLICE for the purpose of recovering the cost of administering the [inspections]  
4 SALVAGE INSPECTION PROGRAM and may not be credited to the Gasoline and Motor  
5 Vehicle Revenue Account for distribution under § 8-403 or § 8-404 of this article.

6 (b) (1) The certificate of title issued by the Administration shall be:

7 (i) Issued in the name of the applicant; and

8 (ii) In a form as provided in this subsection.

9 (2) The Administration shall issue a certificate of title that contains a  
10 conspicuous notation that the vehicle is "rebuilt salvage" if the salvage certificate  
11 accompanying the application:

12 (i) Bears a notation under § 13-506(c)(2)(ii)1 of this subtitle; or

13 (ii) Does not bear a notation under § 13-506(c)(2)(ii)2 of this  
14 subtitle.

15 (3) The Administration shall issue a certificate of title that does not  
16 contain a notation under paragraph (2) of this subsection if the salvage certificate  
17 accompanying the application:

18 (i) Bears a notation under § 13-506(c)(2)(ii)2 of this subtitle;

19 (ii) Is issued before October 1, 1992 and the application is  
20 accompanied by a statement in writing from an insurance company that the cost to  
21 repair the vehicle was equal to or less than the fair market value of the vehicle prior  
22 to the vehicle sustaining damage; or

23 (iii) Is issued for a vehicle that is more than 7 model years old.

24 (c) (1) When an insurance company makes a claim settlement on a vehicle  
25 that has been stolen, the company shall apply for a salvage certificate as provided in  
26 § 13-506(c) of this subtitle.

27 (2) On receipt of an application under this subsection, the  
28 Administration:

29 (i) Shall make the appropriate notation in its records; and

30 (ii) May not issue the salvage certificate until the vehicle is  
31 recovered.

32 (3) When a vehicle that has been stolen is recovered, the Administration  
33 shall:

34 (i) Issue a salvage certificate for the vehicle if the insurance  
35 company submits a certification under § 13-506(c)(2)(ii)1, 2, or 3 of this subtitle; or

1                   (ii)       Issue a certificate of title in lieu of a salvage certificate if the  
2 insurance company states that the vehicle has not sustained damage or has sustained  
3 only minor damage.

4                   (4)       The provisions of subsection (b) of this section apply to a certificate of  
5 title issued under this subsection.

6                   (5)       A vehicle for which a certificate of title was issued under paragraph  
7 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §  
8 13-810(a)(9) of this article.

9                   (d)       If the Administration receives an application for a certificate of title for a  
10 vehicle accompanied by an ownership document issued by another state containing a  
11 notation under the laws of the issuing state that the vehicle is in a condition that is  
12 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the  
13 certificate of title issued by the Administration shall contain a similar notation.

14       SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
15 take effect on the taking effect of the termination provision specified in Chapter 459,  
16 Section 4 of the Acts of the General Assembly of 1994. If that termination takes effect,  
17 § 13-507 of the Transportation Article, as enacted by Section 1 of this Act, shall be  
18 abrogated and of no further force and effect. This Act may not be interpreted to have  
19 any effect on that termination provision.

20       SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in  
21 Section 3 of this Act, this Act shall take effect October 1, 2002.