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

Committee Report: Favorable
House action: Adopted
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CHAPTER _____

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)

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

3 **Article 88B - Department of State Police**

4 74.

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

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

7 (1) All money received under [§§ 13-507 and] § 17-106 of the
8 Transportation Article; and

9 (2) All money received by the Council or the Fund from any source,
10 including gifts, grants, awards, or money from the federal or State government, a
11 local government, or association, organization, or other private source.

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

13 (2) The State Treasurer shall hold and the State Comptroller shall
14 account for the funds.

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

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

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

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

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

21 (e) The Council shall consider and prioritize the following entities and
22 programs when making awards from the Fund:

23 (1) State and local law enforcement agencies, to enhance or augment
24 vehicle theft enforcement and prevention teams or efforts;

25 (2) State and local law enforcement agencies, for programs designed to
26 reduce the incidence of vehicle theft;

27 (3) Local prosecutors and judicial agencies, for enhanced prosecution and
28 adjudication of vehicle theft crimes;

29 (4) Neighborhood or community organizations or business organizations,
30 for programs designed to reduce the incidence of vehicle theft;

1 (5) Educational programs designed to inform motor vehicle owners of
2 methods of preventing motor vehicle theft and to provide equipment, for experimental
3 purposes, to enable motor vehicle owners to prevent motor vehicle theft;

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

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

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

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

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

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

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

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

21 2. At least 45 days have elapsed.

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

25 **Article - Transportation**

26 13-507.

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

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

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

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

3 (iii) A certificate of inspection as required under Title 23 of this
4 article.

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

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

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

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

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

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

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

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

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

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

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

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

31 (c) (1) When an insurance company makes a claim settlement on a vehicle
32 that has been stolen, the company shall apply for a salvage certificate as provided in
33 § 13-506(c) of this subtitle.

34 (2) On receipt of an application under this subsection, the
35 Administration:

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

2 (ii) May not issue the salvage certificate until the vehicle is
3 recovered.

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

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

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

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

13 (5) A vehicle for which a certificate of title was issued under paragraph
14 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §
15 13-810(a)(9) of this article.

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

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

23 **Article - Transportation**

24 13-507.

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

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

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

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

34 (iii) A certificate of inspection as required under Title 23 of this
35 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 [retained by
4 the Administration] PAID TO THE AUTO THEFT UNIT OF THE DEPARTMENT OF STATE
5 POLICE for the purpose of recovering the cost of administering the [inspections]
6 SALVAGE INSPECTION PROGRAM and may not be credited to the Gasoline and Motor
7 Vehicle Revenue Account for distribution under § 8-403 or § 8-404 of this article.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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