

HOUSE BILL 1185

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2002 Regular Session
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By: **Delegates Cadden, R. Baker, W. Baker, Boschert, Campbell, Clagett,
D'Amato, Dewberry, Franchot, Gladden, Hubers, James, A. Jones, Love,
McIntosh, Menes, Oaks, Parrott, Proctor, Rawlings, Rosenberg,
Sophocleus, Turner, and Vallario**

Introduced and read first time: February 8, 2002
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Uninsured Motorist Penalties - Distribution of Fees**

3 FOR the purpose of altering the distribution of certain uninsured motorist penalty
4 fees to provide for a distribution to the Vehicle Theft Prevention Fund during
5 certain fiscal years; providing for the distribution of certain uninsured motorist
6 penalty fees to the School Bus Safety Enforcement Fund during certain fiscal
7 years; altering the amount of certain uninsured motorist penalty fees
8 distributed to the Transportation Trust Fund in certain fiscal years; repealing
9 the termination of the Vehicle Theft Prevention Council and the Vehicle Theft
10 Prevention Fund; and generally relating to the distribution of uninsured
11 motorist penalty fees.

12 BY repealing and reenacting, without amendments,
13 Article - Transportation
14 Section 17-106(a)
15 Annotated Code of Maryland
16 (1999 Replacement Volume and 2001 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - Transportation
19 Section 17-106(e)
20 Annotated Code of Maryland
21 (1999 Replacement Volume and 2001 Supplement)

22 BY repealing and reenacting, with amendments,
23 Chapter 459 of the Acts of the General Assembly of 1994, as amended by
24 Chapter 434 of the Acts of the General Assembly of 1997, as amended by
25 Chapter 338 of the Acts of the General Assembly of 2000
26 Section 4

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

3 **Article - Transportation**

4 17-106.

5 (a) If the required security for any vehicle terminates or otherwise lapses at
6 any time, the registration of that vehicle:

7 (1) Is suspended automatically as of the date of termination or lapse; and

8 (2) Remains suspended until:

9 (i) The required security is replaced and the vehicle owner submits
10 evidence of replaced security on a form as prescribed by the Administration and
11 certified by an insurer or insurance producer; and

12 (ii) Any uninsured motorist penalty fee assessed is paid to the
13 Administration.

14 (e) (1) (i) In addition to any other penalty provided for in the Maryland
15 Vehicle Law, if the required security for a vehicle terminates or otherwise lapses
16 during its registration year, the Administration may assess the owner of the vehicle
17 with a penalty of \$150 for each vehicle without the required security for a period of 1
18 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall increase by
19 a rate of \$7 for each day.

20 (ii) Each period during which the required security for a vehicle
21 terminates or otherwise lapses shall constitute a separate violation.

22 (iii) The penalty imposed under this subsection may not exceed
23 \$2,500 for each violation in a 12-month period.

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

26 1. 70% to be allocated as provided in subparagraphs (ii)
27 through [(vii)] (VI) of this paragraph; and

28 2. 30% to the Administration, which may be used by the
29 Administration, subject to subsection (f) of this section, to provide funding for
30 contracts with independent insurance producers to assist in the recovery of evidences
31 of registration as authorized in subsection (d)(3) of this section.

32 (ii) For the fiscal year beginning July 1, 2001, the percentage of the
33 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
34 among the VEHICLE THEFT PREVENTION FUND ESTABLISHED UNDER ARTICLE 88B, §
35 74 OF THE CODE, THE Motor Vehicle Registration Enforcement Fund, the School Bus

1 Safety Enforcement Fund, the Transportation Trust Fund, and the General Fund as
2 follows:

- 3 1. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
4 2. \$400,000 to the Motor Vehicle Registration Enforcement
5 Fund;
6 [2.] 3. \$600,000 to the School Bus Safety Enforcement Fund;
7 [3.] 4. [\$11,600,000] \$9,600,000 to the Transportation Trust
8 Fund; and
9 [4.] 5. The balance to the General Fund.

10 (iii) For the fiscal year beginning July 1, 2002, the percentage of the
11 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
12 among the VEHICLE THEFT PREVENTION FUND, THE Motor Vehicle Registration
13 Enforcement Fund, the School Bus Safety Enforcement Fund, and the Transportation
14 Trust Fund as follows:

- 15 1. \$400,000 to the Motor Vehicle Registration Enforcement
16 Fund;
17 2. \$600,000 to the School Bus Safety Enforcement Fund;
18 [and]
19 3. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
20 AND
21 4. The balance to the Transportation Trust Fund.

22 (iv) For each fiscal year beginning July 1, 2003 [or], July 1, 2004,
23 JULY 1, 2005, AND JULY 1, 2006, the percentage of the penalties specified under
24 subparagraph (i)1 of this paragraph shall be allocated [between] AMONG the School
25 Bus Safety Enforcement Fund, THE VEHICLE THEFT PREVENTION FUND, and the
26 Transportation Trust Fund as follows:

- 27 1. \$600,000 to the School Bus Safety Enforcement Fund;
28 [and]
29 2. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
30 AND
31 3. The balance to the Transportation Trust Fund.

32 (v) [For each fiscal year beginning July 1, 2005 or July 1, 2006, the
33 percentage of the penalties specified under subparagraph (i)1 of this paragraph shall
34 be distributed to the Transportation Trust Fund.

1 (vi) For the fiscal year beginning July 1, 2007, the percentage of the
 2 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
 3 [between] AMONG the VEHICLE THEFT PREVENTION FUND, THE SCHOOL BUS
 4 SAFETY ENFORCEMENT FUND, THE Maryland Automobile Insurance [Fund] FUND,
 5 and the General Fund as follows:

- 6 1. \$4,400,000 to the Maryland Automobile Insurance Fund;
 7 [and]
- 8 2. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
 9 3. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT
 10 FUND; AND
- 11 4. The balance to the General Fund.

12 [(vii)] (VI) For a fiscal year beginning on or after July 1, 2008, the
 13 percentage of the penalties specified under subparagraph (i)1 of this paragraph shall
 14 be allocated [between] AMONG the VEHICLE THEFT PREVENTION FUND, THE
 15 SCHOOL BUS SAFETY ENFORCEMENT FUND, THE Maryland Automobile Insurance
 16 [Fund] FUND, and the General Fund as follows:

- 17 1. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
 18 2. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT
 19 FUND;
- 20 3. The amount distributed to the Maryland Automobile
 21 Insurance Fund in the prior fiscal year under the provisions of this paragraph
 22 adjusted by the change for the calendar year preceding the fiscal year in the
 23 Consumer Price Index - All Urban Consumers - Medical Care as published by the
 24 United States Bureau of Labor Statistics to the Maryland Automobile Insurance
 25 Fund; and
- 26 [2.] 4. The balance to the General Fund.

27 (3) If the Administration assesses a vehicle owner or co-owner with a
 28 penalty under this subsection, the Administration may not take any of the following
 29 actions until the penalty is paid:

- 30 (i) Reinstate a registration suspended under this subsection;
- 31 (ii) Issue a new registration for any vehicle that is owned or
 32 co-owned by that person and is titled after the violation date; or
- 33 (iii) Renew a registration for a vehicle that is owned or co-owned by
 34 that person and is titled after the violation date.

35 (4) (i) In this paragraph, "family member" means any individual
 36 whose relationship to the vehicle owner is one of those listed under § 13-810(b)(1) of

1 this article as being exempt from paying the excise tax imposed on the transfer of a
2 vehicle.

3 (ii) The monetary penalties provided in this subsection may not be
4 avoided by transferring title to the vehicle.

5 (iii) Regardless of whether money or other valuable consideration is
6 involved in the transfer, if title to a vehicle is transferred by an individual who has
7 violated this subtitle to a family member, any suspension of the vehicle's registration
8 that occurred before the transfer shall continue as if no transfer had occurred and a
9 new registration may not be issued until the penalty fee is paid.

10 (5) An amount equal to the monetary penalties paid to the
11 Administration under paragraph (2) of this subsection may be used by the
12 Administration only for the enforcement of this subtitle.

13 **Chapter 459 of the Acts of 1994, as amended by Chapter 434 of the Acts of**
14 **1997, as amended by Chapter 338 of the Acts of 2000**

15 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take
16 effect July 1, 1994. [It shall remain in effect for a period of nine years and one day
17 and, at the end of July 1, 2003, with no further action required by the General
18 Assembly, this Act shall be abrogated and of no further force and effect.]

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
20 effect July 1, 2002.