

HOUSE BILL 1185

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2002 Regular Session
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CF 2lr2034

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
Reassigned: Appropriations, February 15, 2002

Committee Report: Favorable with amendments
House action: Adopted
Read second time: April 6, 2002

CHAPTER _____

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; providing for the effective date of certain provisions of this
11 Act; providing for the termination of certain provisions of this Act; and generally
12 relating to the distribution of uninsured motorist penalty fees.

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

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

1 (1999 Replacement Volume and 2001 Supplement)

2 BY repealing and reenacting, with amendments,
3 Chapter 459 of the Acts of the General Assembly of 1994, as amended by
4 Chapter 434 of the Acts of the General Assembly of 1997, as amended by
5 Chapter 338 of the Acts of the General Assembly of 2000
6 Section 4

7 BY repealing and reenacting, with amendments,
8 Article - Transportation
9 Section 17-106(e)(2)
10 Annotated Code of Maryland
11 (1999 Replacement Volume and 2001 Supplement)
12 (As enacted by Section 14 of Chapter ____ (S.B. 323) of the General
13 Assembly of 2002)

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

16 **Article - Transportation**

17 17-106.

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

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

21 (2) Remains suspended until:

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

25 (ii) Any uninsured motorist penalty fee assessed is paid to the
26 Administration.

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

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

35 (iii) The penalty imposed under this subsection may not exceed
36 \$2,500 for each violation in a 12-month period.

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

3 1. 70% to be allocated as provided in subparagraphs (ii)
4 through [(vii)] (VI) of this paragraph; and

5 2. 30% to the Administration, which may be used by the
6 Administration, subject to subsection (f) of this section, to provide funding for
7 contracts with independent insurance producers to assist in the recovery of evidences
8 of registration as authorized in subsection (d)(3) of this section.

9 (ii) For the fiscal year beginning July 1, 2001, the percentage of the
10 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
11 among the VEHICLE THEFT PREVENTION FUND ESTABLISHED UNDER ARTICLE 88B, §
12 74 OF THE CODE, THE Motor Vehicle Registration Enforcement Fund, the School Bus
13 Safety Enforcement Fund, the Transportation Trust Fund, and the General Fund as
14 follows:

15 1. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;

16 2. \$400,000 to the Motor Vehicle Registration Enforcement
17 Fund;

18 [2.] 3. \$600,000 to the School Bus Safety Enforcement Fund;

19 [3.] 4. [\$11,600,000] \$9,600,000 to the Transportation Trust
20 Fund; and

21 [4.] 5. The balance to the General Fund.

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

27 1. \$400,000 to the Motor Vehicle Registration Enforcement
28 Fund;

29 2. \$600,000 to the School Bus Safety Enforcement Fund;
30 [and]

31 3. ~~\$2,000,000~~ \$2,180,000 TO THE VEHICLE THEFT PREVENTION
32 FUND; AND

33 4. The balance to the Transportation Trust Fund.

34 (iv) For each fiscal year beginning July 1, 2003 [or], July 1, 2004,
35 JULY 1, 2005, AND JULY 1, 2006, the percentage of the penalties specified under
36 subparagraph (i)1 of this paragraph shall be allocated [between] AMONG the School

1 [2.] 4. The balance to the General Fund.

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

5 (i) Reinstatement a registration suspended under this subsection;

6 (ii) Issue a new registration for any vehicle that is owned or
7 co-owned by that person and is titled after the violation date; or

8 (iii) Renew a registration for a vehicle that is owned or co-owned by
9 that person and is titled after the violation date.

10 (4) (i) In this paragraph, "family member" means any individual
11 whose relationship to the vehicle owner is one of those listed under § 13-810(b)(1) of
12 this article as being exempt from paying the excise tax imposed on the transfer of a
13 vehicle.

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

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

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

24 **Chapter 459 of the Acts of 1994, as amended by Chapter 434 of the Acts of**
25 **1997, as amended by Chapter 338 of the Acts of 2000**

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

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

32 **Article - Transportation**

33 17-106.

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

1 1. 70% to be allocated as provided in subparagraphs (ii)
2 through (iv) of this paragraph; and

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

7 (ii) For the fiscal year beginning July 1, 2001, the percentage of the
8 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
9 among the Vehicle Theft Prevention Fund, the Motor Vehicle Registration
10 Enforcement Fund, the School Bus Safety Enforcement Fund, the Transportation
11 Trust Fund, and the General Fund as follows:

12 1. \$400,000 to the Motor Vehicle Registration Enforcement
13 Fund;

14 2. \$600,000 to the School Bus Safety Enforcement Fund;

15 3. \$2,000,000 to the Vehicle Theft Prevention Fund;

16 4. \$9,600,000 to the Transportation Trust Fund; and

17 5. The balance to the General Fund.

18 (iii) For the fiscal year beginning July 1, 2002, the percentage of the
19 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
20 among the Vehicle Theft Prevention Fund, the Maryland Automobile Insurance Fund,
21 the Motor Vehicle Registration Enforcement Fund, the School Bus Safety
22 Enforcement Fund, and the General Fund as follows:

23 1. \$400,000 to the Motor Vehicle Registration Enforcement
24 Fund;

25 2. \$600,000 to the School Bus Safety Enforcement Fund;

26 3. [\$2,000,000] \$2,180,000 to the Vehicle Theft Prevention
27 Fund;

28 4. \$2,000,000 to the Maryland Automobile Insurance Fund;
29 and

30 5. The balance to the General Fund.

31 (iv) For each fiscal year beginning on or after July 1, 2003, the
32 percentage of the penalties specified under subparagraph (i)1 of this paragraph shall
33 be allocated among the School Bus Safety Enforcement Fund, the Vehicle Theft
34 Prevention Fund, the Maryland Automobile Insurance Fund, and the General Fund
35 as follows:

36 1. \$600,000 to the School Bus Safety Enforcement Fund;

