

SENATE BILL 625

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2002 Regular Session  
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CF 2lr2729

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By: **Senators Hoffman, Middleton, Hogan, Jimeno, Kasemeyer, Neall, and Ruben**

Introduced and read first time: February 1, 2002  
Assigned to: Finance and Judicial Proceedings  
Reassigned: Judicial Proceedings and Budget and Taxation, February 7, 2002

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 21, 2002

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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; 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,

1 Chapter 459 of the Acts of the General Assembly of 1994, as amended by  
2 Chapter 434 of the Acts of the General Assembly of 1997, as amended by  
3 Chapter 338 of the Acts of the General Assembly of 2000  
4 Section 4

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

7 **Article - Transportation**

8 17-106.

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

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

12 (2) Remains suspended until:

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

16 (ii) Any uninsured motorist penalty fee assessed is paid to the  
17 Administration.

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

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

26 (iii) The penalty imposed under this subsection may not exceed  
27 \$2,500 for each violation in a 12-month period.

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

30 1. 70% to be allocated as provided in subparagraphs (ii)  
31 through [(vii)] (VI) of this paragraph; and

32 2. 30% to the Administration, which may be used by the  
33 Administration, subject to subsection (f) of this section, to provide funding for  
34 contracts with independent insurance producers to assist in the recovery of evidences  
35 of registration as authorized in subsection (d)(3) of this section.

1 (ii) For the fiscal year beginning July 1, 2001, the percentage of the  
 2 penalties specified under subparagraph (i)1 of this paragraph shall be allocated  
 3 among the VEHICLE THEFT PREVENTION FUND ESTABLISHED UNDER ARTICLE 88B, §  
 4 74 OF THE CODE, THE Motor Vehicle Registration Enforcement Fund, the School Bus  
 5 Safety Enforcement Fund, the Transportation Trust Fund, and the General Fund as  
 6 follows:

- 7 1. ~~\$2,000,000~~ \$2,180,000 TO THE VEHICLE THEFT PREVENTION  
 8 FUND;
- 9 2. \$400,000 to the Motor Vehicle Registration Enforcement  
 10 Fund;
- 11 [2.] 3. \$600,000 to the School Bus Safety Enforcement Fund;
- 12 [3.] 4. [~~\$11,600,000~~] \$9,600,000 to the Transportation Trust  
 13 Fund; and
- 14 [4.] 5. The balance to the General Fund.

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

- 20 1. \$400,000 to the Motor Vehicle Registration Enforcement  
 21 Fund;
- 22 2. \$600,000 to the School Bus Safety Enforcement Fund;  
 23 [and]
- 24 3. ~~\$2,000,000~~ \$2,180,000 TO THE VEHICLE THEFT PREVENTION  
 25 FUND; AND
- 26 4. The balance to the Transportation Trust Fund.

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

- 32 1. \$600,000 to the School Bus Safety Enforcement Fund;  
 33 [and]
- 34 2. ~~\$2,000,000~~ \$2,180,000 TO THE VEHICLE THEFT PREVENTION  
 35 FUND; AND
- 36 3. The balance to the Transportation Trust Fund.

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

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

- 9 1. \$4,400,000 to the Maryland Automobile Insurance Fund;  
10 [and]
- 11 2. ~~\$2,000,000~~ \$2,180,000 TO THE VEHICLE THEFT PREVENTION  
12 FUND;
- 13 3. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT  
14 FUND; AND
- 15 4. The balance to the General Fund.

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

- 21 1. ~~\$2,000,000~~ \$2,180,000 TO THE VEHICLE THEFT PREVENTION  
22 FUND;
- 23 2. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT  
24 FUND;
- 25 3. The amount distributed to the Maryland Automobile  
26 Insurance Fund in the prior fiscal year under the provisions of this paragraph  
27 adjusted by the change for the calendar year preceding the fiscal year in the  
28 Consumer Price Index - All Urban Consumers - Medical Care as published by the  
29 United States Bureau of Labor Statistics to the Maryland Automobile Insurance  
30 Fund; and
- 31 [2.] 4. The balance to the General Fund.

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

- 35 (i) Reinstate a registration suspended under this subsection;
- 36 (ii) Issue a new registration for any vehicle that is owned or  
37 co-owned by that person and is titled after the violation date; or

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

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

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

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

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

17 **Chapter 459 of the Acts of 1994, as amended by Chapter 434 of the Acts of**  
18 **1997, as amended by Chapter 338 of the Acts of 2000**

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
24 effect ~~July~~ June 1, 2002.