

(PRE-FILED)

By: **Chairman, Environmental Matters Committee (By Request -
Departmental - Transportation)**

Requested: November 15, 2004

Introduced and read first time: January 12, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Administration - Dishonored Check Fees**

3 FOR the purpose of altering the amount of the service charge that may be imposed by
4 the Motor Vehicle Administration when a check given to the Administration is
5 not honored by the bank on which the check is drawn; and generally relating to
6 Motor Vehicle Administration charges.

7 BY repealing and reenacting, without amendments,
8 Article - Commercial Law
9 Section 15-802(b)
10 Annotated Code of Maryland
11 (2000 Replacement Volume and 2004 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Transportation
14 Section 12-116
15 Annotated Code of Maryland
16 (2002 Replacement Volume and 2004 Supplement)

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

19 **Article - Commercial Law**

20 15-802.

21 (b) If a check or other instrument has not been paid within 30 days after the
22 holder has sent a notice of dishonor to the maker or drawer, the maker or drawer of a
23 check or other instrument that has been dishonored shall be liable for:

24 (1) The amount of the check or instrument;

25 (2) A collection fee of up to \$35; and

1 (3) An amount up to 2 times the amount of the check, but not more than
2 \$1,000.

3

Article - Transportation

4 12-116.

5 If any person gives a check to the Administration to pay for any charge or for
6 any other purpose and the check is not honored by the bank on which it is drawn, the
7 Administration may impose a service charge to be retained by the Administration for
8 the purpose of recovering check handling costs and shall not be credited to the
9 Gasoline and Motor Vehicle Revenue Account for distribution under § 8-403 or §
10 8-404 of this article. This service charge shall be equal to the greater of:

11 (1) Not more than 10 percent of the amount of the check; or

12 (2) [\$25] THE AMOUNT OF THE COLLECTION FEE SPECIFIED IN §
13 15-802(B)(2) OF THE COMMERCIAL LAW ARTICLE.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2005.