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By: **Delegates Menes, Frush, and Moe**  
Introduced and read first time: February 9, 2005  
Assigned to: Economic Matters

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Committee Report: Favorable with amendments  
House action: Adopted with floor amendments  
Read second time: March 21, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Motor Vehicle Liability Insurers—Fees Insurance - Fraud Prevention Fee -**  
3 **Vehicle Theft Prevention Fund**

4 FOR the purpose of ~~requiring insurers that issue, sell, or deliver motor vehicle~~  
5 ~~liability insurance policies in the State to pay a certain annual fee; requiring~~  
6 ~~that the money be paid into the Vehicle Theft Prevention Fund altering the~~  
7 ~~disbursement of a certain fraud prevention fee collected by the Maryland~~  
8 ~~Insurance Commissioner; requiring a certain amount of the fraud prevention fee~~  
9 ~~be deposited in the Vehicle Theft Prevention Fund to be used for a certain~~  
10 ~~purpose; authorizing the Governor to make a certain appropriation; altering the~~  
11 ~~amount of the fraud prevention fee; making a certain conforming change; and~~  
12 ~~generally relating to a fee imposed on motor vehicle liability insurers to be paid~~  
13 ~~into the the fraud prevention fee and Vehicle Theft Prevention Fund.~~

14 BY ~~adding to~~ repealing and reenacting, with amendments,  
15 Article - Insurance  
16 Section ~~19-517~~ 2-505(a), 6-202, and 6-203(a)  
17 Annotated Code of Maryland  
18 (~~2002~~ 2003 Replacement Volume and 2004 Supplement)

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

21 **Article - Insurance**

22 2-505.

23 (a) There is an Insurance Regulation Fund that consists of:

1 (1) all revenue received through the imposition and collection of the  
2 assessment fee under this subtitle;

3 (2) all revenue received through the imposition and collection of the fees  
4 set forth in § 2-112 of this title;

5 (3) [all] TWO-THIRDS OF THE revenue received through the imposition  
6 and collection of the fraud prevention fee under Title 6, Subtitle 2 of this article;

7 (4) all revenue received through the collection of examination expenses  
8 under § 2-208 of this title;

9 (5) except as provided in § 2-114(a) of this title, all other fees received  
10 through the imposition and collection of fees set forth in this article; and

11 (6) income from investments that the State Treasurer makes for the  
12 Fund.

13 6-202.

14 (a) The Commissioner shall collect the fraud prevention fee.

15 (b) [The] OF THE total amount of the fraud prevention fee collected by the  
16 Commissioner;

17 (1) TWO-THIRDS shall be deposited in the Insurance Regulation Fund as  
18 provided in § 2-505 of this article; AND

19 (2) ONE-THIRD SHALL BE DEPOSITED IN THE VEHICLE THEFT  
20 PREVENTION FUND UNDER § 2-703 OF THE PUBLIC SAFETY ARTICLE TO BE USED FOR  
21 THE SOLE PURPOSE OF ASSISTING LOCAL JURISDICTIONS IN PREVENTING VEHICLE  
22 THEFT.

23 (C) THE GOVERNOR MAY TRANSFER AN AMOUNT EQUAL TO ONE-THIRD OF  
24 THE TOTAL AMOUNT OF THE FRAUD PREVENTION FEE COLLECTED UNDER THIS  
25 SECTION, BY AN APPROPRIATION IN THE STATE BUDGET, OR BY AN AMENDMENT TO  
26 THE STATE BUDGET UNDER TITLE 7, SUBTITLE 2 OF THE STATE FINANCE AND  
27 PROCUREMENT ARTICLE, TO THE VEHICLE THEFT PREVENTION FUND TO BE USED  
28 FOR THE SOLE PURPOSE OF PREVENTING VEHICLE THEFT.

29 6-203.

30 (a) For each insurer, health maintenance organization, nonprofit health  
31 service plan, fraternal benefit society, or any entity operating in the State under the  
32 regulatory jurisdiction of the Commissioner other than a premium finance company, a  
33 fraternal benefit society that collected less than \$75,000 in premiums in the  
34 preceding calendar year, or a motor club, the fraud prevention fee shall be:

35 (1) [\$1,000] \$1,500;

36 (2) due on or before June 30 of each year; and

1           (3)     if applicable, payable with the certificate of authority or license  
2 renewal fee.

3 ~~49-517.~~

4     (A)     ~~EACH INSURER THAT ISSUES, SELLS, OR DELIVERS MOTOR VEHICLE~~  
5 ~~LIABILITY INSURANCE POLICIES IN THE STATE SHALL PAY ANNUALLY A FEE EQUAL~~  
6 ~~TO \$1 MULTIPLIED BY THE TOTAL NUMBER OF MOTOR VEHICLES INSURED BY THE~~  
7 ~~INSURER IN THE STATE.~~

8     (B)     ~~THE MONEY SHALL BE PAID INTO THE VEHICLE THEFT PREVENTION~~  
9 ~~FUND ESTABLISHED UNDER § 2-703 OF THE PUBLIC SAFETY ARTICLE.~~

10    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 ~~October~~ July 1, 2005.