
By: **Chairman, Judicial Proceedings Committee (By Request -
Departmental - Transportation)**

Introduced and read first time: February 14, 2005

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Lapsed or Terminated Security - Penalties**

3 FOR the purpose of altering the penalties that may be assessed by the Motor Vehicle
4 Administration for a vehicle that is without the security required for the vehicle
5 for a certain period; increasing the penalty that may be assessed for a vehicle
6 that continues to be in violation of certain vehicle security requirements for a
7 certain period; increasing the amount of the daily penalty that may be assessed
8 for violating certain vehicle security requirements after a certain period;
9 increasing the maximum penalty that may be assessed for a violation of certain
10 vehicle security requirements occurring within a certain period; excluding
11 certain fees from the definition of "miscellaneous fees" for certain purposes;
12 revising the distribution formula for the penalties assessed by the Motor Vehicle
13 Administration for violations of certain vehicle security requirements; and
14 generally relating to penalties for lapsed or terminated security for motor
15 vehicles.

16 BY repealing and reenacting, with amendments,
17 Article - Transportation
18 Section 12-120 and 17-106(e)
19 Annotated Code of Maryland
20 (2002 Replacement Volume and 2004 Supplement)

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

23 **Article - Transportation**

24 12-120.

25 (a) In this section, "miscellaneous fees" means all fees collected by the
26 Administration under this article other than:

27 (1) The vehicle titling tax; [and]

1 (2) Vehicle registration fees under Part II of Title 13, Subtitle 9 of this
2 article; AND

3 (3) THE FEES PAID TO THE TRANSPORTATION TRUST FUND UNDER §
4 17-106(E)(2)(I)1 OF THIS ARTICLE.

5 (b) Except as provided in this section, the Administration may not alter the
6 miscellaneous fees that the Administration is authorized under this article to
7 establish.

8 (c) (1) Subject to the limitations under subsection (d) of this section, before
9 the start of any fiscal year the Administration by regulation may alter, effective
10 beginning in the upcoming fiscal year, the levels of the miscellaneous fees that the
11 Administration is authorized under this article to establish.

12 (2) The Administration shall alter the levels of miscellaneous fees for the
13 upcoming fiscal year if the projected cost recovery under subsection (d) of this section
14 exceeds 100%.

15 (d) The Administration shall set the levels of miscellaneous fees so that the
16 total amount of projected revenues from all miscellaneous fees for the upcoming fiscal
17 year is at least 95 percent but does not exceed 100 percent of the sum of:

18 (1) The operating budget of the Administration for that fiscal year as
19 approved by the General Assembly in the annual State budget;

20 (2) The average annual capital program of the Administration as
21 reported in the 6-year consolidated transportation program described in § 2-103.1 of
22 this article; and

23 (3) The Administration's portion of the cost for that fiscal year of the
24 Department's data center operations, except for the cost of data center operations
25 attributable to other administrations' activities.

26 (e) (1) The Administration may not alter miscellaneous fees more than once
27 in any fiscal year.

28 (2) The Administration need not reduce fees for the upcoming fiscal year
29 if legislative budget modifications cause the projected cost recovery percentage to
30 exceed 100 percent.

31 (3) The level of a miscellaneous fee set by the Administration remains in
32 effect until again altered by the Administration as provided under this section.

33 17-106.

34 (e) (1) (i) In addition to any other penalty provided for in the Maryland
35 Vehicle Law, if the required security for a vehicle terminates or otherwise lapses
36 during its registration year, the Administration may assess the owner of the vehicle
37 with [a penalty of \$150 for each vehicle without the required security for a period of

1 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall increase by
 2 a rate of \$7 for each day.] THE FOLLOWING PENALTIES:

3 1. FOR EACH VEHICLE WITHOUT THE REQUIRED SECURITY
 4 FOR A PERIOD OF 1 TO 15 DAYS, \$100; OR

5 2. FOR EACH VEHICLE WITHOUT THE REQUIRED SECURITY
 6 FOR A PERIOD OF 16 TO 30 DAYS, \$200.

7 (II) IF A PENALTY IS ASSESSED UNDER SUBPARAGRAPH (I) OF THIS
 8 PARAGRAPH, BEGINNING ON THE 31ST DAY THE PENALTY SHALL BE INCREASED AT A
 9 RATE OF \$9 FOR THE 31ST DAY AND EACH DAY THEREAFTER.

10 [(ii)] (III) Each period during which the required security for a
 11 vehicle terminates or otherwise lapses shall constitute a separate violation.

12 [(iii)] (IV) The penalty imposed under this subsection may not exceed
 13 [\$2,500] \$3,000 for each violation in a 12-month period.

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

16 1. THE FIRST \$8,000,000 SHALL BE CREDITED TO THE
 17 TRANSPORTATION TRUST FUND; AND

18 [1.] 2. OF THE REMAINDER:

19 A. 70% [to] SHALL be allocated as provided in
 20 [subparagraphs (ii) through (iv)] SUBPARAGRAPH (II) of this paragraph; and

21 [2.] B. 30% SHALL BE ALLOCATED to the Administration,
 22 which may be used by the Administration, subject to subsection (f) of this section, to
 23 provide funding for contracts with independent agents to assist in the recovery of
 24 evidences of registration as authorized in subsection (d)(3) of this section.

25 [(ii) For the fiscal year beginning July 1, 2001, the percentage of the
 26 penalties specified under subparagraph (i)1 of this paragraph shall be allocated
 27 among the Vehicle Theft Prevention Fund, the Motor Vehicle Registration
 28 Enforcement Fund, the School Bus Safety Enforcement Fund, the Transportation
 29 Trust Fund, and the General Fund as follows:

30 1. \$400,000 to the Motor Vehicle Registration Enforcement
 31 Fund;

32 2. \$600,000 to the School Bus Safety Enforcement Fund;

33 3. \$2,000,000 to the Vehicle Theft Prevention Fund;

34 4. \$9,600,000 to the Transportation Trust Fund; and

35 5. The balance to the General Fund.

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

- 6 1. \$400,000 to the Motor Vehicle Registration Enforcement
 7 Fund;
- 8 2. \$600,000 to the School Bus Safety Enforcement Fund;
- 9 3. \$2,000,000 to the Vehicle Theft Prevention Fund;
- 10 4. \$2,000,000 to the Maryland Automobile Insurance Fund;
- 11 and
- 12 5. The balance to the General Fund.

13 (iv)] (II) For each fiscal year beginning on or after July 1, 2003, the
 14 percentage of the penalties specified under subparagraph [(i)1] (I)2A of this
 15 paragraph shall be allocated among the School Bus Safety Enforcement Fund, the
 16 Vehicle Theft Prevention Fund, the Maryland Automobile Insurance Fund, and the
 17 General Fund as follows:

- 18 1. \$600,000 to the School Bus Safety Enforcement Fund;
- 19 2. \$2,000,000 to the Vehicle Theft Prevention 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 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 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
14 effect July 1, 2005.