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By: **Delegates Leopold, Sophocleus, and Glassman**

Introduced and read first time: January 13, 2006

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the penalty that may be assessed by the Motor Vehicle  
4 Administration for a vehicle that is without the required security for a certain  
5 period; increasing the amount of the daily penalty that may be assessed for  
6 violating certain vehicle security requirements after a certain period; increasing  
7 the maximum penalty that may be assessed for a violation of certain vehicle  
8 security requirements occurring within a certain period; and generally relating  
9 to penalties for lapsed or terminated security for motor vehicles.

10 BY repealing and reenacting, with amendments,  
11 Article - Transportation  
12 Section 17-106(e)  
13 Annotated Code of Maryland  
14 (2002 Replacement Volume and 2005 Supplement)

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

17 **Article - Transportation**

18 17-106.

19 (e) (1) (i) In addition to any other penalty provided for in the Maryland  
20 Vehicle Law, if the required security for a vehicle terminates or otherwise lapses  
21 during its registration year, the Administration may assess the owner of the vehicle  
22 with a penalty of [\$150] \$25 for each vehicle without the required security for a  
23 period of 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall  
24 increase by a rate of [\$7] \$8 for each day.

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

27 (iii) The penalty imposed under this subsection may not exceed  
28 [\$2,500] \$3,000 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 (iv) 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 agents to assist in the recovery of evidences of  
8 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, the Motor Vehicle Registration  
12 Enforcement Fund, the School Bus Safety Enforcement Fund, the Transportation  
13 Trust Fund, and the General Fund as follows:

14                                   1.       \$400,000 to the Motor Vehicle Registration Enforcement  
15 Fund;

16                                   2.       \$600,000 to the School Bus Safety Enforcement Fund;

17                                   3.       \$2,000,000 to the Vehicle Theft Prevention Fund;

18                                   4.       \$9,600,000 to the Transportation Trust Fund; and

19                                   5.       The balance to the General Fund.

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

25                                   1.       \$400,000 to the Motor Vehicle Registration Enforcement  
26 Fund;

27                                   2.       \$600,000 to the School Bus Safety Enforcement Fund;

28                                   3.       \$2,000,000 to the Vehicle Theft Prevention Fund;

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

31                                   5.       The balance to the General Fund.

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

- 1                                    1.        \$600,000 to the School Bus Safety Enforcement Fund;
- 2                                    2.        \$2,000,000 to the Vehicle Theft Prevention Fund;
- 3                                    3.        The amount distributed to the Maryland Automobile  
4 Insurance Fund in the prior fiscal year under the provisions of this paragraph  
5 adjusted by the change for the calendar year preceding the fiscal year in the  
6 Consumer Price Index - All Urban Consumers - Medical Care as published by the  
7 United States Bureau of Labor Statistics to the Maryland Automobile Insurance  
8 Fund; and
- 9                                    4.        The balance to the General Fund.

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

- 13                                    (i)        Reinstate a registration suspended under this subsection;
- 14                                    (ii)       Issue a new registration for any vehicle that is owned or  
15 co-owned by that person and is titled after the violation date; or
- 16                                    (iii)       Renew a registration for a vehicle that is owned or co-owned by  
17 that person and is titled after the violation date.

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

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

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

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

32        SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2006.