

# HOUSE BILL 899

R7

71r2074  
CF SB 590

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By: **Delegate Bronrott**

Introduced and read first time: February 9, 2007

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Security Lapses and Point Assessments – Penalties**

3 FOR the purpose of authorizing the Secretary of Budget and Management to authorize  
4 the Motor Vehicle Administration to enter into certain contracts for the  
5 procurement of billing and collection services for certain fees imposed under this  
6 Act; requiring a certain amount of revenues from certain fees to be deposited in  
7 a certain manner; altering a certain definition to establish that certain fees  
8 collected under this Act may not be altered by the Administration; requiring an  
9 individual holding a driver's license to pay a certain fee annually for each point  
10 over a certain number of points that is assessed against the individual's driving  
11 record; requiring the Administration to send a notice to an individual subject to  
12 a fee under this Act a certain number of days after a certain event; requiring  
13 the suspension of an individual's driver's license unless the individual pays a fee  
14 under this Act except under certain circumstances; authorizing an individual to  
15 request a certain hearing; limiting the issue that can be considered at a certain  
16 hearing; authorizing the Administration to establish a certain schedule for  
17 payment of fees charged under this Act; prohibiting the Administration from  
18 suspending and requiring the Administration to renew an individual's driver's  
19 license under certain circumstances; authorizing a licensee to prepay a certain  
20 fee; authorizing the Administration to adopt certain regulations; altering the  
21 penalties for a certain lapse of security on a vehicle during a registration year;  
22 altering the distribution of funds that are collected from a certain penalty;  
23 defining certain terms; repealing certain obsolete provisions; providing for the  
24 effective date of certain provision of this Act; providing for the termination of  
25 certain provisions of this Act; and generally relating to the assessment of fees  
26 against certain drivers and certain funding.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – State Finance and Procurement  
3 Section 3–302  
4 Annotated Code of Maryland  
5 (2006 Replacement Volume and 2006 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article – Transportation  
8 Section 12–120(a) and 17–106(e)  
9 Annotated Code of Maryland  
10 (2006 Replacement Volume and 2006 Supplement)

11 BY adding to  
12 Article – Transportation  
13 Section 16–1001 to be under the new subtitle “Subtitle 10. Assessment of Fees”  
14 Annotated Code of Maryland  
15 (2006 Replacement Volume and 2006 Supplement)

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

18 **Article – State Finance and Procurement**

19 3–302.

20 (a) (1) Except as otherwise provided in [subsection (b)] **SUBSECTIONS**  
21 **(B) AND (D)** of this section or in other law, the Central Collection Unit is responsible  
22 for the collection of each delinquent account or other debt that is owed to the State or  
23 any of its officials or units.

24 (2) [An] **EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS**  
25 **SECTION, AN** official or unit of the State government shall refer to the Central  
26 Collection Unit each debt for which the Central Collection Unit has collection  
27 responsibility under this subsection and may not settle the debt.

28 (3) For the purposes of this subtitle, a community college or board of  
29 trustees for a community college established or operating under Title 16 of the  
30 Education Article is a unit of the State.

1 (b) Unless, with the approval of the Secretary, a unit of the State  
2 government assigns the claim to the Central Collection Unit, the Central Collection  
3 Unit is not responsible for and may not collect:

4 (1) any taxes;

5 (2) any child support payment that is owed under Article 88A, § 48 of  
6 the Code;

7 (3) any unemployment insurance contribution or overpayment;

8 (4) any fine;

9 (5) any court costs;

10 (6) any forfeiture on bond;

11 (7) any money that is owed as a result of a default on a loan that the  
12 Department of Business and Economic Development or the Department of Housing  
13 and Community Development has made or insured; or

14 (8) any money that is owed under Title 9, Subtitles 2, 3, and 4 and  
15 Title 20 of the Insurance Article.

16 (c) The Central Collection Unit shall be responsible for the collection of each  
17 delinquent account or other debt that is owed to a community college established or  
18 operating under Title 16 of the Education Article if the board of trustees for the  
19 community college:

20 (1) adopts a resolution appointing the Central Collection Unit as the  
21 collector of delinquent accounts or other debt; and

22 (2) submits the resolution to the Central Collection Unit.

23 **(D) (1) THIS SUBSECTION APPLIES TO FEES IMPOSED UNDER §**  
24 **16-1001 OF THE TRANSPORTATION ARTICLE.**

25 **(2) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS**  
26 **SECTION, THE SECRETARY MAY AUTHORIZE THE MOTOR VEHICLE**  
27 **ADMINISTRATION TO ENTER INTO A CONTRACT FOR THE PROCUREMENT OF**  
28 **BILLING AND COLLECTION SERVICES, INCLUDING THE AUTHORITY TO SETTLE**  
29 **DEBTS OWED TO THE MOTOR VEHICLE ADMINISTRATION.**

1                   **(II) AS PROVIDED IN THE CONTRACT BETWEEN THE**  
2 **CONTRACTOR AND THE STATE, THE VENDOR MAY RETAIN A SPECIFIC PORTION**  
3 **OF THE FEES COLLECTED UNDER § 16-1001 OF THE TRANSPORTATION ARTICLE**  
4 **TO COVER THE COSTS OF THE COLLECTION OF THE FEES.**

5                   **(3) A PROCUREMENT CONTRACT ENTERED INTO UNDER THIS**  
6 **SUBSECTION SHALL MEET THE REQUIREMENTS OF THIS ARTICLE.**

7                   **Article – Transportation**

8   12-120.

9           (a) In this section, “miscellaneous fees” means all fees collected by the  
10 Administration under this article other than:

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

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

14                   **(3) FEES COLLECTED UNDER § 16-1001 OF THIS ARTICLE.**

15                   **SUBTITLE 10. ASSESSMENT OF FEES.**

16   **16-1001.**

17           **(A) IF A LICENSEE HOLDING A NONCOMMERCIAL CLASS A, B, C, D, E,**  
18 **OR M DRIVER’S LICENSE HAS ACCUMULATED MORE THAN 2 POINTS ON THE**  
19 **LICENSEE’S DRIVING RECORD, THE ADMINISTRATION SHALL ASSESS, FOR EACH**  
20 **POINT THAT THE LICENSEE ACCUMULATES OVER 2 POINTS, A FEE OF \$50**  
21 **ANNUALLY FOR A PERIOD OF 3 YEARS FROM THE DATE THAT THE POINT WAS**  
22 **ASSESSED.**

23           **(B) (1) THE ADMINISTRATION SHALL SEND NOTICE TO AN**  
24 **INDIVIDUAL OF THE IMPOSITION OF A FEE NO MORE THAN 30 DAYS AFTER A**  
25 **CONVICTION IS POSTED TO THE DRIVER’S RECORD THAT SUBJECTS THE**  
26 **INDIVIDUAL TO A FEE UNDER SUBSECTION (A) OF THIS SECTION.**

1           (2)   (I)    SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
2 ADMINISTRATION SHALL SUSPEND THE DRIVER'S LICENSE OF AN INDIVIDUAL  
3 UNLESS ALL FEES REQUIRED UNDER SUBSECTION (A) OF THIS SECTION ARE  
4 PAID WITHIN A TIME PERIOD ESTABLISHED BY THE ADMINISTRATION.

5                   (II)   AN INDIVIDUAL MAY REQUEST A HEARING CONCERNING  
6 A PROPOSED DECISION OF THE ADMINISTRATION TO SUSPEND THE  
7 INDIVIDUAL'S DRIVER'S LICENSE OR PRIVILEGE TO DRIVE UNDER THIS  
8 PARAGRAPH.

9                   (III)   AT A HEARING UNDER THIS PARAGRAPH, THE ISSUE  
10 SHALL BE LIMITED TO WHETHER THE ADMINISTRATION HAD MISTAKEN THE  
11 IDENTITY OF THE INDIVIDUAL WHOSE DRIVER'S LICENSE OR PRIVILEGE TO  
12 DRIVE HAS BEEN SUSPENDED.

13           (3)   (I)    THE ADMINISTRATION MAY ESTABLISH A SCHEDULE  
14 FOR PAYMENT OF FEES IMPOSED UNDER SUBSECTION (A) OF THIS SECTION.

15                   (II)   IF THE PAYMENT SCHEDULE ESTABLISHED UNDER THIS  
16 PARAGRAPH IS FOLLOWED, THE ADMINISTRATION:

17                           1.   MAY NOT SUSPEND AN INDIVIDUAL'S LICENSE  
18 FOR NONPAYMENT OF THE FEES IMPOSED UNDER SUBSECTION (A) OF THIS  
19 SECTION; AND

20                           2.   SHALL REINSTATE A LICENSE THAT WAS  
21 SUSPENDED FOR FAILURE TO PAY THE FEES IMPOSED UNDER SUBSECTION (A)  
22 OF THIS SECTION.

23                   (III)   A LICENSEE MAY PREPAY AT ANY TIME THE TOTAL  
24 AMOUNT OF FEES THAT WILL BE DUE OVER THE 3-YEAR PERIOD SPECIFIED IN  
25 SUBSECTION (A) OF THIS SECTION.

26           (C)   OF THE REVENUES DERIVED FROM FEES IMPOSED UNDER  
27 SUBSECTION (A) OF THIS SECTION, THE ADMINISTRATION SHALL RETAIN AN  
28 AMOUNT SUFFICIENT TO COVER THE COSTS NEEDED TO ADMINISTER THE  
29 PROVISIONS OF THIS SUBTITLE, AND THE BALANCE SHALL BE DISTRIBUTED IN  
30 THE SAME MANNER AS FUNDS DISTRIBUTED UNDER THE STATE AID FOR

**POLICE PROTECTION FUND IN ARTICLE 41, TITLE 4, SUBTITLE 4 OF THE CODE.**

**(D) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.**

17–106.

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

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

**2. FOR EACH VEHICLE WITHOUT THE REQUIRED SECURITY FOR A PERIOD OF 16 TO 30 DAYS, AN ADDITIONAL \$200; AND**

**3. FOR EACH VEHICLE WITHOUT THE REQUIRED SECURITY FOR MORE THAN 30 DAYS, AN ADDITIONAL PENALTY OF \$9 EACH DAY FOR THE 31ST DAY AND EACH DAY THEREAFTER.**

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

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

(2) (i) [A penalty] **PENALTIES** assessed under this subsection shall be [paid] **CREDITED** as follows:

**1. THE FIRST \$14,000,000 ANNUALLY SHALL BE CREDITED AND DISTRIBUTED IN THE SAME MANNER AS FUNDS DISTRIBUTED UNDER THE STATE AID FOR POLICE PROTECTION FUND IN ARTICLE 41, TITLE 4, SUBTITLE 4 OF THE CODE; AND**

**2. OF THE REMAINDER:**

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

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

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

12                   1. \$400,000 to the Motor Vehicle Registration  
13 Enforcement Fund;

14                   2. \$600,000 to the School Bus Safety Enforcement Fund;

15                   3. \$2,000,000 to the Vehicle Theft Prevention Fund;

16                   4. \$9,600,000 to the Transportation Trust Fund; and

17                   5. The balance to the General Fund.

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

23                   1. \$400,000 to the Motor Vehicle Registration  
24 Enforcement Fund;

25                   2. \$600,000 to the School Bus Safety Enforcement Fund;

26                   3. \$2,000,000 to the Vehicle Theft Prevention Fund;

27                   4. \$2,000,000 to the Maryland Automobile Insurance  
28 Fund; and

1                                   5.       The balance to the General Fund.

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

7                                   1.       \$600,000 to the School Bus Safety Enforcement Fund;

8                                   2.       \$2,000,000 to the Vehicle Theft Prevention Fund;

9                                   3.       The amount distributed to the Maryland Automobile  
10 Insurance Fund in the prior fiscal year under the provisions of this paragraph  
11 adjusted by the change for the calendar year preceding the fiscal year in the Consumer  
12 Price Index – All Urban Consumers – Medical Care as published by the United States  
13 Bureau of Labor Statistics to the Maryland Automobile Insurance Fund; and

14                                  4.       The balance to the General Fund.

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

18                                  (i)     Reinstate a registration suspended under this subsection;

19                                  (ii)    Issue a new registration for any vehicle that is owned or  
20 co-owned by that person and is titled after the violation date; or

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

23                                  (4)    (i)     In this paragraph, “family member” means any individual  
24 whose relationship to the vehicle owner is one of those listed under § 13–810(b)(1) of  
25 this article as being exempt from paying the excise tax imposed on the transfer of a  
26 vehicle.

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

29                                  (iii)   Regardless of whether money or other valuable  
30 consideration is involved in the transfer, if title to a vehicle is transferred by an

individual who has violated this subtitle to a family member, any suspension of the vehicle's registration that occurred before the transfer shall continue as if no transfer had occurred and a new registration may not be issued until the penalty fee is paid.

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

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

### **Article – State Finance and Procurement**

3–302.

(a) (1) Except as otherwise provided in [subsection (b)] **SUBSECTIONS (B) AND (D)** of this section or in other law, the Central Collection Unit is responsible for the collection of each delinquent account or other debt that is owed to the State or any of its officials or units.

(2) [An] **EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, AN** official or unit of the State government shall refer to the Central Collection Unit each debt for which the Central Collection Unit has collection responsibility under this subsection and may not settle the debt.

(3) For the purposes of this subtitle, a community college or board of trustees for a community college established or operating under Title 16 of the Education Article is a unit of the State.

(b) Unless, with the approval of the Secretary, a unit of the State government assigns the claim to the Central Collection Unit, the Central Collection Unit is not responsible for and may not collect:

(1) any taxes;

(2) any child support payment that is owed under Article 88A, § 48 of the Code;

(3) any unemployment insurance contribution or overpayment;

(4) any fine;

(5) any court costs;

(6) any forfeiture on bond;

(7) any money that is owed as a result of a default on a loan that the Department of Business and Economic Development or the Department of Housing and Community Development has made or insured; or

(8) any money that is owed under Title 9, Subtitles 2, 3, and 4 and Title 20 of the Insurance Article.

(c) The Central Collection Unit shall be responsible for the collection of each delinquent account or other debt that is owed to a community college established or operating under Title 16 of the Education Article if the board of trustees for the community college:

(1) adopts a resolution appointing the Central Collection Unit as the collector of delinquent accounts or other debt; and

(2) submits the resolution to the Central Collection Unit.

**(D) (1) THIS SUBSECTION APPLIES TO FEES IMPOSED UNDER § 16-1001 OF THE TRANSPORTATION ARTICLE.**

**(2) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE SECRETARY MAY AUTHORIZE THE MOTOR VEHICLE ADMINISTRATION TO ENTER INTO A CONTRACT FOR THE PROCUREMENT OF BILLING AND COLLECTION SERVICES, INCLUDING THE AUTHORITY TO SETTLE DEBTS OWED TO THE MOTOR VEHICLE ADMINISTRATION.**

**(II) AS PROVIDED IN THE CONTRACT BETWEEN THE CONTRACTOR AND THE STATE, THE VENDOR MAY RETAIN A SPECIFIC PORTION OF THE FEES COLLECTED UNDER § 16-1001 OF THE TRANSPORTATION ARTICLE TO COVER THE COSTS OF THE COLLECTION OF THE FEES.**

**(3) A PROCUREMENT CONTRACT ENTERED INTO UNDER THIS SUBSECTION SHALL MEET THE REQUIREMENTS OF THIS ARTICLE.**

#### **Article – Transportation**

12-120.

1 (a) In this section, “miscellaneous fees” means all fees collected by the  
2 Administration under this article other than:

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

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

6 (3) **FEEs COLLECTED UNDER § 16–1001 OF THIS ARTICLE.**

7 **SUBTITLE 10. ASSESSMENT OF FEES.**

8 **16–1001.**

9 (A) IF A LICENSEE HOLDING A NONCOMMERCIAL CLASS A, B, C, D, E,  
10 OR M DRIVER’S LICENSE HAS ACCUMULATED MORE THAN 2 POINTS ON THE  
11 LICENSEE’S DRIVING RECORD, THE ADMINISTRATION SHALL ASSESS, FOR EACH  
12 POINT THAT THE LICENSEE ACCUMULATES OVER 2 POINTS, A FEE OF \$50  
13 ANNUALLY FOR A PERIOD OF 3 YEARS FROM THE DATE THAT THE POINT WAS  
14 ASSESSED.

15 (B) (1) THE ADMINISTRATION SHALL SEND NOTICE TO AN  
16 INDIVIDUAL OF THE IMPOSITION OF A FEE NO MORE THAN 30 DAYS AFTER A  
17 CONVICTION IS POSTED TO THE DRIVER’S RECORD THAT SUBJECTS THE  
18 INDIVIDUAL TO A FEE UNDER SUBSECTION (A) OF THIS SECTION.

19 (2) (I) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
20 ADMINISTRATION SHALL SUSPEND THE DRIVER’S LICENSE OF AN INDIVIDUAL  
21 UNLESS ALL FEES REQUIRED UNDER SUBSECTION (A) OF THIS SECTION ARE  
22 PAID WITHIN A TIME PERIOD ESTABLISHED BY THE ADMINISTRATION.

23 (II) AN INDIVIDUAL MAY REQUEST A HEARING CONCERNING  
24 A PROPOSED DECISION OF THE ADMINISTRATION TO SUSPEND THE  
25 INDIVIDUAL’S DRIVER’S LICENSE OR PRIVILEGE TO DRIVE UNDER THIS  
26 PARAGRAPH.

27 (III) AT A HEARING UNDER THIS PARAGRAPH, THE ISSUE  
28 SHALL BE LIMITED TO WHETHER THE ADMINISTRATION HAD MISTAKEN THE

1 **IDENTITY OF THE INDIVIDUAL WHOSE DRIVER'S LICENSE OR PRIVILEGE TO**  
2 **DRIVE HAS BEEN SUSPENDED.**

3 **(3) (I) THE ADMINISTRATION MAY ESTABLISH A SCHEDULE**  
4 **FOR PAYMENT OF FEES IMPOSED UNDER SUBSECTION (A) OF THIS SECTION.**

5 **(II) IF THE PAYMENT SCHEDULE ESTABLISHED UNDER THIS**  
6 **PARAGRAPH IS FOLLOWED, THE ADMINISTRATION:**

7 **1. MAY NOT SUSPEND AN INDIVIDUAL'S LICENSE**  
8 **FOR NONPAYMENT OF THE FEES IMPOSED UNDER SUBSECTION (A) OF THIS**  
9 **SECTION; AND**

10 **2. SHALL REINSTATE A LICENSE THAT WAS**  
11 **SUSPENDED FOR FAILURE TO PAY THE FEES IMPOSED UNDER SUBSECTION (A)**  
12 **OF THIS SECTION.**

13 **(III) A LICENSEE MAY PREPAY AT ANY TIME THE TOTAL**  
14 **AMOUNT OF FEES THAT WILL BE DUE OVER THE 3-YEAR PERIOD SPECIFIED IN**  
15 **SUBSECTION (A) OF THIS SECTION.**

16 **(C) OF THE REVENUES DERIVED FROM FEES IMPOSED UNDER**  
17 **SUBSECTION (A) OF THIS SECTION, THE ADMINISTRATION SHALL RETAIN AN**  
18 **AMOUNT SUFFICIENT TO COVER THE COSTS NEEDED TO ADMINISTER THE**  
19 **PROVISIONS OF THIS SUBTITLE, AND THE BALANCE SHALL BE DISTRIBUTED TO**  
20 **THE FIRST RESPONDERS FUND ESTABLISHED UNDER TITLE 4, SUBTITLE 4 OF**  
21 **THE PUBLIC SAFETY ARTICLE.**

22 **(D) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT**  
23 **THE PROVISIONS OF THIS SECTION.**

24 17-106.

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

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

3                   **2. FOR EACH VEHICLE WITHOUT THE REQUIRED**  
4 **SECURITY FOR A PERIOD OF 16 TO 30 DAYS, AN ADDITIONAL \$200; AND**

5                   **3. FOR EACH VEHICLE WITHOUT THE REQUIRED**  
6 **SECURITY FOR MORE THAN 30 DAYS, AN ADDITIONAL PENALTY OF \$9 EACH DAY**  
7 **FOR THE 31ST DAY AND EACH DAY THEREAFTER.**

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

10                   (iii) The penalty imposed under this subsection may not exceed  
11 **[\$2,500] \$3,000** for each violation in a 12-month period.

12                   (2) (i) [A penalty] **PENALTIES** assessed under this subsection  
13 shall be [paid] **CREDITED** as follows:

14                   1. **THE FIRST \$14,000,000 ANNUALLY SHALL BE**  
15 **CREDITED TO THE FIRST RESPONDERS FUND ESTABLISHED UNDER TITLE 4,**  
16 **SUBTITLE 4 OF THE PUBLIC SAFETY ARTICLE; AND**

17                   **2. OF THE REMAINDER:**

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

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

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

29                   1. \$400,000 to the Motor Vehicle Registration  
30 Enforcement Fund;

2. \$600,000 to the School Bus Safety Enforcement Fund;
3. \$2,000,000 to the Vehicle Theft Prevention Fund;
4. \$9,600,000 to the Transportation Trust Fund; and
5. The balance to the General Fund.

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

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

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

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

1                                   4.       The balance to the General Fund.

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

5                           (i)     Reinstate a registration suspended under this subsection;

6                           (ii)    Issue a new registration for any vehicle that is owned or  
7 co-owned by that person and is titled after the violation date; or

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

10                   (4)    (i)     In this paragraph, “family member” means any individual  
11 whose relationship to the vehicle owner is one of those listed under § 13–810(b)(1) of  
12 this article as being exempt from paying the excise tax imposed on the transfer of a  
13 vehicle.

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

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

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

24           SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
25 take effect on the taking effect of Chapter \_\_\_\_ (S.B. \_\_\_\_ ) (7lr1161) of the Acts of the  
26 General Assembly of 2007. If Section 2 of this Act takes effect, Section 1 of this Act  
27 shall be abrogated and of no further force and effect.

28           SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions  
29 of Section 3 of this Act, this Act shall take effect October 1, 2007.