

SENATE BILL 185

P3

8lr0057

By: **Chair, Judicial Proceedings Committee (By Request – Departmental – Automobile Insurance Fund)**

Introduced and read first time: January 18, 2008

Rules suspended

Assigned to: Judicial Proceedings

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; repealing obsolete
9 provisions; and generally relating to penalties for lapsed or terminated security
10 for motor vehicles.

11 BY repealing and reenacting, with amendments,
12 Article – Transportation
13 Section 17–106(e)
14 Annotated Code of Maryland
15 (2006 Replacement Volume and 2007 Supplement)

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

18 **Article – Transportation**

19 17–106.

20 (e) (1) (i) In addition to any other penalty provided for in the
21 Maryland Vehicle Law, if the required security for a vehicle terminates or otherwise
22 lapses during its registration year, the Administration may assess the owner of the
23 vehicle with a penalty of [~~\$150~~] **\$100** for each vehicle without the required security

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 for a period of 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine
2 shall increase by a rate of ~~[\$7]~~ **\$9** for each day.

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

5 (iii) The penalty imposed under this subsection may not exceed
6 ~~[\$2,500]~~ **\$3,000** for each violation in a 12-month period.

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

9 1. 70% to be allocated as provided in [subparagraphs (ii)
10 through (iv)] **SUBPARAGRAPH (II)** of this paragraph; and

11 2. 30% to the Administration, which may be used by the
12 Administration, subject to subsection (f) of this section, to provide funding for
13 contracts with independent agents to assist in the recovery of evidences of registration
14 as authorized in subsection (d)(3) of this section.

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

20 1. \$400,000 to the Motor Vehicle Registration
21 Enforcement Fund;

22 2. \$600,000 to the School Bus Safety Enforcement Fund;

23 3. \$2,000,000 to the Vehicle Theft Prevention Fund;

24 4. \$9,600,000 to the Transportation Trust Fund; and

25 5. The balance to the General Fund.

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

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

33 2. \$600,000 to the School Bus Safety Enforcement Fund;

- 1 3. \$2,000,000 to the Vehicle Theft Prevention Fund;
- 2 4. \$2,000,000 to the Maryland Automobile Insurance
- 3 Fund; and
- 4 5. The balance to the General Fund.

5 (iv)] For each fiscal year beginning on or after July 1, 2003, the

6 percentage of the penalties specified under subparagraph (i)1 of this paragraph shall

7 be allocated among the School Bus Safety Enforcement Fund, the Vehicle Theft

8 Prevention Fund, the Maryland Automobile Insurance Fund, and the General Fund as

9 follows:

- 10 1. \$600,000 to the School Bus Safety Enforcement Fund;
- 11 2. \$2,000,000 to the Vehicle Theft Prevention Fund;
- 12 3. The amount distributed to the Maryland Automobile
- 13 Insurance Fund in the prior fiscal year under the provisions of this paragraph
- 14 adjusted by the change for the calendar year preceding the fiscal year in the Consumer
- 15 Price Index – All Urban Consumers – Medical Care as published by the United States
- 16 Bureau of Labor Statistics to the Maryland Automobile Insurance Fund; and
- 17 4. The balance to the General Fund.

18 (3) If the Administration assesses a vehicle owner or co-owner with a

19 penalty under this subsection, the Administration may not take any of the following

20 actions until the penalty is paid:

- 21 (i) Reinstatement a registration suspended under this subsection;
- 22 (ii) Issue a new registration for any vehicle that is owned or
- 23 co-owned by that person and is titled after the violation date; or
- 24 (iii) Renew a registration for a vehicle that is owned or co-owned
- 25 by that person and is titled after the violation date.

26 (4) (i) In this paragraph, “family member” means any individual

27 whose relationship to the vehicle owner is one of those listed under § 13–810(b)(1) of

28 this article as being exempt from paying the excise tax imposed on the transfer of a

29 vehicle.

30 (ii) The monetary penalties provided in this subsection may not

31 be avoided by transferring title to the vehicle.

32 (iii) Regardless of whether money or other valuable

33 consideration is involved in the transfer, if title to a vehicle is transferred by an

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

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

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2008.