

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1294

(Delegate McConkey, *et al.*)

Environmental Matters

Vehicle Laws - Carrying and Displaying Proof of Required Security -
Requirements

This bill requires an individual who is operating a vehicle, either rented or owned, to carry satisfactory proof of required security and display such security on demand from a police officer. A violation is a misdemeanor under the Maryland Vehicle Law and is subject to a fine of up to \$500.

Fiscal Summary

State Effect: General fund revenues could increase minimally under the bill's penalty provision. Enforcement could be handled with existing resources.

Maryland Auto Insurance Fund: MAIF advises that it would incur minimal costs to modify the commercial vehicle insurance card it issues in order to meet the bill's requirements.

Local Effect: Enforcement could be handled with existing resources.

Small Business Effect: None.

Analysis

Bill Summary: There are two acceptable forms of proof of required security under the bill. The first is a document issued by an insurer authorized to write vehicle liability insurance that lists • the name of the insurer and insured; • policy number; • covered vehicles; and • the period of coverage. The second form of proof may be a document

evidencing a form of security acceptable to the Motor Vehicle Administration. Operators of vehicles rented for less than 180 days may show proof of required security by carrying a valid rental agreement in the vehicle.

Current Law: The Motor Vehicle Administration is prohibited from issuing or transferring a vehicle registration unless the owner or the prospective owner produces satisfactory evidence of required security. The owner of a motor vehicle that is required to be registered in this State has to maintain the required security for the vehicle during the registration period.

A vehicle owner receiving notice of an assessment of points under the Maryland Vehicle Laws by MVA is required to submit evidence of continuing coverage of required security within 30 days of receipt.

Background: The District of Columbia recently passed a similar law designed to deter uninsured drivers. When a DC police officer stops a motorist, the officer is allowed to demand current proof of insurance and levy fines on vehicle operators without such proof.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Maryland Automobile Insurance Fund, Department of State Police, Maryland Insurance Administration, Maryland Department of Transportation, Department of Legislative Services

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mam/ljm

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