By: Senators Astle, DeGrange, Della, Garagiola, Jones, Kelley, Kittleman, Klausmeier, Pipkin, and Reilly

Introduced and read first time: January 22, 2010

Assigned to: Finance

| | A BILL ENTITLED |
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| 1 | AN ACT concerning |
| 2 3 | Maryland Automobile Insurance Fund – Use of Fund Moneys and Property – Prohibitions |
| 4 5 6 7 8 | FOR the purpose of prohibiting moneys or property of the Maryland Automobile Insurance Fund from being used to pay for certain bonuses, services, events, and sponsorships; making conforming changes; providing for the application of this Act; making this Act an emergency measure; and generally relating to moneys and property of the Maryland Automobile Insurance Fund. |
| 9 | BY repealing and reenacting, with amendments, |
| 10 | Article – Insurance |
| 11 | Section 20–204(a) and (b) and 20–301 |
| 12 | Annotated Code of Maryland |
| 13 | (2006 Replacement Volume and 2009 Supplement) |
| 14 | SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF |
| 15 | MARYLAND, That the Laws of Maryland read as follows: |
| 16 | Article – Insurance |
| 17 | 20–204. |
| 18 | (a) (1) Except as provided in paragraph (2) of this subsection or otherwise |
| 19 | by law, the Executive Director shall appoint and remove staff of the Fund in |
| 20 | accordance with the provisions of the State Personnel and Pensions Article. |
| 21 | (2) Positions that the Executive Director designates with the approval |
| 22 | of the Board of Trustees as technical or professional positions are in the executive |
| 23 | service, management service, or are special appointments of the skilled service or the |

professional service in the State Personnel Management System.

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| 1 2 3 4 | (3) Notwithstanding any other provision of law, the Executive Director, SUBJECT TO § 20–301(C)(2)(V) OF THIS TITLE, may appoint claims adjusters, attorneys, and other necessary personnel directly as employees or on a contract basis. |
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| 5 6 7 | (b) [The] SUBJECT TO § 20-301(C)(2)(V) OF THIS TITLE, THE Executive Director shall determine the compensation of the personnel of the Fund designated under subsection (a)(2) of this section: |
| 8 | (1) with the approval of the Board of Trustees; and |
| 9 | (2) when possible, in accordance with the State pay plan. |
| 10 | 20–301. |
| 11 12 13 | (a) The purpose of the Fund is to provide the financial security required under § 17–103 of the Transportation Article to those eligible persons that are unable to obtain it from an Association member. |
| 14 15 | (b) Moneys of the Fund consist of revenues, premiums, and other receipts provided by law. |
| 16 17 | (c) (1) All operating expenses of the Fund shall be paid from the moneys collected by or for the Fund. |
| 18 19 20 | (2) (i) Subject to subparagraphs (ii) through [(iv)] (V) of this paragraph, moneys and property available to the Fund may be used for the general purposes of the Fund. |
| 21 22 23 | (ii) Premiums collected and income accruing from those premiums may be used only for the payment of claims arising under policies issued by the Fund and for the administrative expenses of the Fund. |
| 24 25 26 | (iii) The Fund shall keep separate records of any income and expenses directly attributable to the processing and payment of unsatisfied claims under Subtitle 6 of this title. |
| 27 28 | (iv) The Fund shall keep separate records of any income and expenses directly attributable to its commercial policy and claims operations. |
| 29 30 | (V) MONEYS AND PROPERTY AVAILABLE TO THE FUND MAY NOT BE USED TO PAY FOR: |
| 31 | 1. BONUSES FOR EMPLOYEES OF THE FUND; |

STRATEGIC CONSULTING SERVICES;

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| $\frac{1}{2}$ | 3. MARKETING, PUBLIC RELATIONS, O ADVERTISING SERVICES; | R |
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| 3 | 4. OUTSIDE LOBBYING SERVICES; | |
| 4 | 5. FUND PRODUCER APPRECIATION EVENTS; OR | |
| 5 | 6. CORPORATE SPONSORSHIPS. | |
| 6 | SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall l | be |
| 7 | construed to apply only prospectively and may not be applied or interpreted to prohib | |
| 8 | the use of any moneys or property available to the Maryland Automobile Insuran- | |
| 9 | Fund to satisfy a legally binding obligation of the Fund that was incurred before the | ne |
| 10 | effective date of this Act. | |
| 11 | SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergence | cv |
| 12 | measure, is necessary for the immediate preservation of the public health or safet | • |
| 13 | has been passed by a yea and nay vote supported by three–fifths of all the membe | • |
| 14 | elected to each of the two Houses of the General Assembly, and shall take effect fro | |
| 15 | the date it is enacted. | |