

# SENATE BILL 82

C4

2lr0538  
CF HB 279

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By: **Senator Zirkin**

Introduced and read first time: January 16, 2012

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Claims for Bodily Injury or Death –**  
3 **Payment Limitation**

4 FOR the purpose of increasing the maximum amounts payable from the Maryland  
5 Automobile Insurance Fund for certain claims on account of injury to or death of  
6 one individual and of more than one individual arising from a motor vehicle  
7 accident; providing for the allocation of certain penalties among certain funds  
8 on or after a certain date; providing for the application of this Act; and generally  
9 relating to claims against the Maryland Automobile Insurance Fund.

10 BY repealing and reenacting, with amendments,  
11 Article – Insurance  
12 Section 20–602  
13 Annotated Code of Maryland  
14 (2011 Replacement Volume)

15 BY repealing and reenacting, with amendments,  
16 Article – Transportation  
17 Section 17–106(e)  
18 Annotated Code of Maryland  
19 (2009 Replacement Volume and 2011 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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**Article – Insurance**

2 20–602.

3 (a) The maximum amount payable from the Fund, exclusive of interest and  
4 costs, for claims filed under this subtitle arising from one accident is:

5 (1) ~~[\$20,000]~~ **\$30,000** on account of injury to or death of one  
6 individual;

7 (2) subject to the limit specified in item (1) of this subsection,  
8 ~~[\$40,000]~~ **\$60,000** on account of injury to or death of more than one individual; and

9 (3) \$15,000 for damages to property.

10 (b) (1) The following deductions shall be made from the smaller of the  
11 applicable maximum amount under subsection (a) of this section and the amount of  
12 the judgment:

13 (i) \$250 from a judgment or part of a judgment for damages to  
14 property; and

15 (ii) the total amount that the claimant has received or is likely  
16 to receive:

17 1. from any source toward payment of the settlement or  
18 judgment;

19 2. toward payment of a judgment against a person  
20 against whom the claimant has a cause of action, arising out of the same accident, for  
21 damages for bodily injury or death or damage to property;

22 3. under a policy affording indemnity for damage to or  
23 destruction of property of the applicant; and

24 4. by reason of the accident out of which the claim arises  
25 under any workers' compensation law.

26 (2) For the purposes of this subtitle, medical, hospital, funeral, or  
27 other benefits paid or payable for the applicant under the Maryland Workers'  
28 Compensation Act shall be considered to be received or receivable by the claimant.

29 (c) The Fund may recover any amount paid out of the Fund that exceeds the  
30 amount authorized under this subtitle by bringing an action against the person that  
31 received the excess payment.

1 (d) (1) Notwithstanding any workers' compensation law or similar law to  
2 the contrary, whenever the amount of a payment by the Fund has been reduced by the  
3 amount of benefits paid or to be paid in accordance with a workers' compensation law  
4 or similar law, the employer of an injured person or decedent and the insurer of that  
5 employer is not entitled to a lien on payment from the Fund.

6 (2) Workers' compensation benefits may not be reduced because of the  
7 reduced payment from the Fund.

### 8 Article – Transportation

9 17–106.

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

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

18 (iii) The penalty imposed under this subsection may not exceed  
19 \$2,500 for each violation in a 12–month period.

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

22 1. 70% to be allocated as provided in subparagraphs (ii)  
23 through [(iv)] (VI) of this paragraph; and

24 2. 30% to the Administration, which may be used by the  
25 Administration, subject to subsection (f) of this section, to provide funding for  
26 contracts with independent agents to assist in the recovery of evidences of registration  
27 as authorized in subsection (d)(3) of this section.

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

33 1. \$400,000 to the Motor Vehicle Registration  
34 Enforcement Fund;

35 2. \$600,000 to the School Bus Safety Enforcement Fund;

1                                 3.     \$2,000,000 to the Vehicle Theft Prevention Fund;

2                                 4.     \$9,600,000 to the Transportation Trust Fund; and

3                                 5.     The balance to the General Fund.

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

9                                 1.     \$400,000 to the Motor Vehicle Registration  
10 Enforcement Fund;

11                                2.     \$600,000 to the School Bus Safety Enforcement Fund;

12                                3.     \$2,000,000 to the Vehicle Theft Prevention Fund;

13                                4.     \$2,000,000 to the Maryland Automobile Insurance  
14 Fund; and

15                                5.     The balance to the General Fund.

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

21                                1.     \$600,000 to the School Bus Safety Enforcement Fund;

22                                2.     \$2,000,000 to the Vehicle Theft Prevention Fund;

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

28                                4.     The balance to the General Fund.

29                                (v) FOR EACH FISCAL YEAR BEGINNING ON JULY 1, 2013,  
30 THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1  
31 OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE SCHOOL BUS SAFETY  
32 ENFORCEMENT FUND, THE VEHICLE THEFT PREVENTION FUND, THE

1 MARYLAND AUTOMOBILE INSURANCE FUND, AND THE GENERAL FUND AS  
 2 FOLLOWS:

3 1. \$600,000 TO THE SCHOOL BUS SAFETY  
 4 ENFORCEMENT FUND;

5 2. \$2,000,000 TO THE VEHICLE THEFT PREVENTION  
 6 FUND;

7 3. \$3,400,000 TO THE MARYLAND AUTOMOBILE  
 8 INSURANCE FUND; AND

9 4. THE BALANCE TO THE GENERAL FUND.

10 (VI) FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY  
 11 1, 2014, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER  
 12 SUBPARAGRAPH (I)1 OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE  
 13 SCHOOL BUS SAFETY ENFORCEMENT FUND, THE VEHICLE THEFT  
 14 PREVENTION FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, AND THE  
 15 GENERAL FUND AS FOLLOWS:

16 1. \$600,000 TO THE SCHOOL BUS SAFETY  
 17 ENFORCEMENT FUND;

18 2. \$2,000,000 TO THE VEHICLE THEFT PREVENTION  
 19 FUND;

20 3. TO THE MARYLAND AUTOMOBILE INSURANCE  
 21 FUND, THE AMOUNT DISTRIBUTED TO THE MARYLAND AUTOMOBILE  
 22 INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE PROVISIONS OF THIS  
 23 PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR YEAR PRECEDING  
 24 THE FISCAL YEAR IN THE CONSUMER PRICE INDEX – ALL URBAN CONSUMERS –  
 25 MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF LABOR  
 26 STATISTICS; AND

27 4. THE BALANCE TO THE GENERAL FUND.

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

31 (i) Reinstatement a registration suspended under this subsection;

1                   (ii) Except for a temporary registration as provided under §  
 2 13-602(a)(2) of this article, issue a new registration for any vehicle that is owned or  
 3 co-owned by that person and is titled after the violation date; or

4                   (iii) Renew a registration for a vehicle that is owned or co-owned  
 5 by that person.

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

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

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

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

20                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to  
 21 claims filed based on accidents that occurred on or after October 1, 2012.

22                   SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
 23 effect October 1, 2012.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.