

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 243

(Delegate Anderson, *et al.*)

Judiciary

Judicial Proceedings

Vehicle Laws - Unauthorized Use of Rented Motor Vehicle - Repeal

This bill repeals the criminal offense of “unauthorized use of a rented motor vehicle.” As a result, a person can no longer be charged with a criminal offense for (1) allowing another to drive a motor vehicle that the person rented, if the rental agreement prohibits another from driving the motor vehicle or (2) driving a rental vehicle without the consent of the lessor or the lessor’s agent if the motor vehicle rental agreement prohibits a person other than the renter of the vehicle from driving the rental vehicle.

Fiscal Summary

State Effect: Minimal decrease in general fund revenues due to the elimination of fines for this offense. Savings due to elimination of these cases from the District Court docket is negligible. Potential minimal increase in special fund revenues for the Maryland Insurance Administration to the extent insurers pay required fees to modify rates and forms due to repeal of the law. Potential minimal decrease in expenditures to the extent that fewer people are incarcerated in Baltimore City.

Local Effect: Potential minimal decrease in expenditures to the extent that fewer people are sentenced to local jails.

Small Business Effect: Minimal.

Analysis

Current Law: A person who rents a motor vehicle under an agreement not to allow another person to drive the vehicle is also prohibited by the Maryland Vehicle Law from allowing another person to drive the vehicle. Another person may not drive a rented

motor vehicle without the consent of the lessor or the lessor's agent if the person who rented the motor vehicle did so under an agreement not to allow another person to drive the vehicle.

Any person who is convicted of a violation of these provisions is guilty of a misdemeanor. The violator is subject to imprisonment for up to two months and/or a maximum fine of \$500. There is no prepayment penalty as the violator is required to appear in court to answer the charges.

Background: Exhibit 1 shows the frequency of charges for unlawfully permitting a person to drive or unlawfully driving a rented motor vehicle without consent.

Exhibit 1
Citations – Unlawful Use of Rental Vehicle
Fiscal 2013

<u>Offense</u>	<u>Open</u>	<u>Trial</u>	<u>Total Citations</u>
Unlawfully Permitting Another to Drive Rented Motor Vehicle	43	159	202
Unlawfully Driving Rented Motor Vehicle without Consent of Lessor or Agent	277	878	1,155

Source: District Court of Maryland

State Revenues: General fund revenues decrease minimally as a result of repeal of the bill's monetary penalty provision and the elimination of those cases heard in the District Court.

State Expenditures: General fund expenditures may decrease minimally as a result of the elimination of the incarceration penalty and the possibility of fewer people being committed to State correctional facilities for convictions in Baltimore City. The impact on District Court expenditures from elimination of these cases is negligible.

Local Expenditures: Expenditures may decrease minimally as a result of the elimination of the incarceration penalty and the possibility of fewer people being committed to local jails. Otherwise, counties pay the full cost of incarceration for people in their facilities for the first 12 months of the sentence. Per diem operating costs of local detention facilities have ranged from approximately \$60 to \$160 per inmate in recent years.

Additional Comments: The bill is intended to eliminate the ability to file criminal charges against those who permit others to drive a rental motor vehicle or those who drive a rental motor vehicle without proper authorization. It is not intended to affect the legal authority of rental companies or insurance companies to designate in contractual agreements the person authorized to drive a rental motor vehicle.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 27, 2014
mm/ljm

Analysis by: Karen D. Morgan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510