

# HOUSE BILL 720

C4

6lr0622  
CF SB 544

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By: **Delegate Kramer**

Introduced and read first time: February 5, 2016

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2016

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

1 AN ACT concerning

2 **Motor Vehicle Insurance – Insurance Identification Card – Carrying Proof of**  
3 **Coverage – Uninsured Motorist Education and Enforcement Fund**

4 FOR the purpose of requiring a certain insurer to provide a certain insurance identification  
5 card to certain insureds at certain times; providing that an insurance identification  
6 card may be produced in a certain electronic format; providing that the insurance  
7 identification card shall be valid for only a certain period except under certain  
8 circumstances; requiring a certain operator to be in possession of or carry in the  
9 motor vehicle at certain times certain evidence of required security; providing that a  
10 certain identification insurance card is a form of evidence of a certain required  
11 security; allowing a certain evidence of required security to be produced in a certain  
12 electronic format; providing for a certain fine; establishing the Uninsured Motorist  
13 Education and Enforcement Fund as a special, nonlapsing fund; providing that a  
14 certain fine may ~~not~~ be waived and shall be deposited into the Fund; specifying the  
15 purpose of the Fund; requiring the Motor Vehicle Administration to administer the  
16 Fund; providing that the Fund consists of certain revenues, interest, and other  
17 money; specifying the uses of the Fund; authorizing the Administration to delay the  
18 imposition of a certain fine for a certain period of time for a certain purpose;  
19 authorizing the Administration to adopt regulations; exempting the Fund from a  
20 certain provision of law requiring interest on State money in special funds to accrue  
21 to the General Fund of the State; authorizing the Administration to accept funding  
22 or another form of support from the Uninsured Claim and Judgment Fund of the  
23 Maryland Automobile Insurance Fund for a certain purpose; defining certain terms;  
24 and generally relating to carrying proof of coverage, educating operators of motor

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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.



1 vehicles about and enforcing the Maryland Vehicle Law, and motor vehicle  
2 insurance.

3 BY adding to  
4 Article – Insurance  
5 Section 19–503.1  
6 Annotated Code of Maryland  
7 (2011 Replacement Volume and 2015 Supplement)

8 BY repealing and reenacting, without amendments,  
9 Article – State Finance and Procurement  
10 Section 6–226(a)(2)(i)  
11 Annotated Code of Maryland  
12 (2015 Replacement Volume)

13 BY repealing and reenacting, with amendments,  
14 Article – State Finance and Procurement  
15 Section 6–226(a)(2)(ii)84. and 85.  
16 Annotated Code of Maryland  
17 (2015 Replacement Volume)

18 BY adding to  
19 Article – State Finance and Procurement  
20 Section 6–226(a)(2)(ii)86.  
21 Annotated Code of Maryland  
22 (2015 Replacement Volume)

23 BY adding to  
24 Article – Transportation  
25 Section 17–104.2  
26 Annotated Code of Maryland  
27 (2012 Replacement Volume and 2015 Supplement)

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

30 **Article – Insurance**

31 **19–503.1.**

32 **(A) IN THIS SECTION, “INSURANCE IDENTIFICATION CARD” MEANS A CARD**  
33 **ISSUED BY OR ON BEHALF OF AN INSURER, IN A FORM THAT THE COMMISSIONER**  
34 **PRESCRIBES OR APPROVES, AS AN INDICATION THAT THE INSURER HAS ISSUED A**  
35 **MOTOR VEHICLE LIABILITY INSURANCE POLICY MEETING THE REQUIREMENTS OF**  
36 **THIS SUBTITLE.**

1 (B) (1) AN INSURER THAT ISSUES, SELLS, OR DELIVERS A MOTOR  
2 VEHICLE LIABILITY INSURANCE POLICY IN THE STATE SHALL PROVIDE TO AN  
3 INSURED AT THE TIME THE MOTOR VEHICLE LIABILITY INSURANCE POLICY IS  
4 INITIALLY ISSUED AND AT EACH RENEWAL AN INSURANCE IDENTIFICATION CARD  
5 THAT INDICATES:

6 (I) THE FIRST NAMED INSURED ON THE MOTOR VEHICLE  
7 LIABILITY INSURANCE POLICY;

8 (II) THE MOTOR VEHICLE COVERED UNDER THE MOTOR  
9 VEHICLE LIABILITY INSURANCE POLICY; AND

10 (III) THE PERIOD FOR WHICH COVERAGE UNDER THE MOTOR  
11 VEHICLE LIABILITY INSURANCE POLICY IS IN EFFECT; ~~AND~~

12 ~~(IV) ANY OTHER INFORMATION THE COMMISSIONER REQUIRES.~~

13 (2) (I) IF AN INSURED AND AN INSURER BOTH CONSENT, AN  
14 INSURANCE IDENTIFICATION CARD MAY BE PRODUCED IN ELECTRONIC FORMAT.

15 (II) ACCEPTABLE ELECTRONIC FORMATS INCLUDE DISPLAY OF  
16 ELECTRONIC IMAGES ON A CELLULAR PHONE OR ANY OTHER TYPE OF PORTABLE  
17 ELECTRONIC DEVICE.

18 (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
19 PARAGRAPH, AN INSURANCE IDENTIFICATION CARD SHALL BE VALID ONLY FOR THE  
20 PERIOD FOR WHICH MOTOR VEHICLE LIABILITY INSURANCE COVERAGE HAS BEEN  
21 PAID BY THE INSURED.

22 (II) IF THE INSURED IS ON AN INSURER-SPONSORED PAYMENT  
23 ~~PLAN~~ PLAN OR HAS FINANCED PREMIUMS THROUGH A PREMIUM FINANCE COMPANY,  
24 THE INSURANCE IDENTIFICATION CARD MAY BE ISSUED FOR PERIODS OF 6 MONTHS  
25 EVEN IF THE PAYMENT BY THE INSURED IS FOR A PERIOD OF LESS THAN 6 MONTHS.

26 Article – State Finance and Procurement

27 6-226.

28 (a) (2) (i) Notwithstanding any other provision of law, and unless  
29 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
30 terms of a gift or settlement agreement, net interest on all State money allocated by the  
31 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
32 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
33 Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

84. the Economic Development Marketing Fund; [and]

85. the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund; AND

86. THE UNINSURED MOTORIST EDUCATION AND ENFORCEMENT FUND.

### Article – Transportation

#### 17–104.2.

(A) IN THIS SECTION, “FUND” MEANS THE UNINSURED MOTORIST EDUCATION AND ENFORCEMENT FUND.

(B) THE OPERATOR OF A MOTOR VEHICLE THAT IS REQUIRED TO BE REGISTERED IN THIS STATE SHALL:

(1) BE IN POSSESSION OF, OR CARRY IN THE MOTOR VEHICLE, EVIDENCE OF THE REQUIRED SECURITY FOR THE MOTOR VEHICLE, WHEN OPERATING THE MOTOR VEHICLE ON A HIGHWAY IN THE STATE; AND

(2) PRESENT EVIDENCE OF THE REQUIRED SECURITY ON THE REQUEST OF A LAW ENFORCEMENT OFFICER.

(C) (1) AN INSURANCE IDENTIFICATION CARD ISSUED BY OR ON BEHALF OF A MOTOR VEHICLE INSURER UNDER § 19–504.1 OF THE INSURANCE ARTICLE IS A FORM OF EVIDENCE OF THE REQUIRED SECURITY FOR THE MOTOR VEHICLE.

(2) EVIDENCE OF THE REQUIRED SECURITY MAY BE PRODUCED IN ELECTRONIC FORMAT, INCLUDING DISPLAY OF ELECTRONIC IMAGES ON A CELLULAR PHONE OR ANY OTHER TYPE OF PORTABLE ELECTRONIC DEVICE.

(D) (1) A PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS SUBJECT TO A FINE OF \$50.

(2) THE FINE UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) ~~EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION,~~  
~~MAY NOT~~ MAY BE WAIVED; AND

(II) SHALL BE DEPOSITED IN THE FUND.

1           **(E) (1) THERE IS AN UNINSURED MOTORIST EDUCATION AND**  
2 **ENFORCEMENT FUND.**

3           **(2) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR THE**  
4 **EDUCATION OF OPERATORS ABOUT, AND THE ENFORCEMENT OF, SECURITY**  
5 **REQUIREMENTS FOR MOTOR VEHICLES UNDER THE MARYLAND VEHICLE LAW.**

6           **(3) THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

7           **(4) (I) THE FUND IS A SPECIAL, NONLAPSING REVOLVING FUND**  
8 **THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT**  
9 **ARTICLE.**

10           **(II) THE STATE TREASURER SHALL HOLD THE FUND**  
11 **SEPARATELY AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

12           **(5) THE FUND CONSISTS OF:**

13           **(I) REVENUES DEPOSITED TO THE FUND UNDER SUBSECTION**  
14 **(D) OF THIS SECTION;**

15           **(II) INTEREST EARNINGS OF THE FUND; AND**

16           **(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**  
17 **FOR THE BENEFIT OF THE FUND.**

18           **(6) MONEY IN THE FUND SHALL BE USED FOR:**

19           **(I) THE ADMINISTRATION OF THE FUND; AND**

20           **(II) THE EDUCATION OF OPERATORS OF MOTOR VEHICLES**  
21 **ABOUT, AND THE ENFORCEMENT OF, SECURITY REQUIREMENTS FOR MOTOR**  
22 **VEHICLES UNDER THE MARYLAND VEHICLE LAW.**

23           **(F) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THIS**  
24 **SECTION.**

25           SECTION 2. AND BE IT FURTHER ENACTED, That the Administration may delay  
26 the imposition of a fine under this Act to allow a period of time that the Administration  
27 determines is sufficient for the education of operators of motor vehicles about the  
28 requirement to carry evidence of required security under § 17-104.2(b) of the  
29 Transportation Article, as enacted by Section 1 of this Act.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Motor Vehicle  
2 Administration may accept funding for the Uninsured Motorist Education and  
3 Enforcement Fund established under § 17–104.2 of the Transportation Article, as enacted  
4 by Section 1 of this Act, or another form of support from the Uninsured Claim and  
5 Judgment Fund of the Maryland Automobile Insurance Fund to assist in educating  
6 operators of motor vehicles about the requirement to carry evidence of required security  
7 under § 17–104.2(b) of the Transportation Article, as enacted by Section 1 of this Act.

8 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2016.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.