

# HOUSE BILL 368

R4

2lr0437  
CF 2lr1708

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By: ~~Delegate Korman~~ Delegates Korman, Boyce, Foley, Jalisi, Lehman, Prettyman, Ruth, Stewart, and Terrasa

Introduced and read first time: January 19, 2022

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2022

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

1 AN ACT concerning

2 **Vehicle Laws – Penalties for Lapse of Security – ~~Transferred Certificate of Title~~**  
3 **~~(Motor Vehicle Registration Clarification Act) Grace Period~~**

4 FOR the purpose of prohibiting the Motor Vehicle Administration from assessing a penalty  
5 for a vehicle whose required security has terminated or lapsed ~~if the vehicle's~~  
6 ~~certificate of title has been transferred to a new owner and~~, under certain  
7 circumstances, if the vehicle's registration plates are returned to the Administration  
8 within a certain number of days after the termination or lapse; and generally  
9 relating to the termination or lapse of the required security for a vehicle.

10 BY repealing and reenacting, with amendments,  
11 Article – Transportation  
12 Section 17–106(e)(1) and (5)  
13 Annotated Code of Maryland  
14 (2020 Replacement Volume and 2021 Supplement)

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

17 **Article – Transportation**

18 17–106.

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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 (e) (1) (i) 1. [In] EXCEPT AS PROVIDED IN ~~SUBPARAGRAPH (IV)~~  
 2 ~~SUBPARAGRAPHS (IV) AND (V) OF THIS PARAGRAPH~~, IN addition to any other penalty  
 3 provided for in the Maryland Vehicle Law, if the required security for a vehicle terminates  
 4 or otherwise lapses during its registration year, the Administration may assess the owner  
 5 of the vehicle with a penalty of \$150 for each vehicle without the required security for a  
 6 period of 1 to 30 days.

7 2. If a fine is assessed, beginning on the 31st day the fine  
 8 shall increase by a rate of \$7 for each day.

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

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

13 (IV) ~~1.~~ THE ADMINISTRATION MAY NOT ASSESS A PENALTY  
 14 UNDER THIS SUBSECTION IF ~~THE CERTIFICATE OF TITLE FOR THE VEHICLE HAS~~  
 15 ~~BEEN TRANSFERRED TO A NEW OWNER AND THE:~~

16 1. THE REGISTRATION PLATES OF THE VEHICLE ARE  
 17 RETURNED TO THE ADMINISTRATION WITHIN 10 DAYS AFTER THE TERMINATION OR  
 18 LAPSE OF THE REQUIRED SECURITY, AS SHOWN BY THE RECORDS OF THE  
 19 ADMINISTRATION; AND

20 2. A. THE CERTIFICATE OF TITLE FOR THE VEHICLE  
 21 HAS BEEN TRANSFERRED TO A NEW OWNER;

22 B. THE REGISTERED OWNER HAS MOVED OUT-OF-STATE  
 23 AND THE REGISTRATION PLATES ARE RETURNED BY MAIL;

24 C. A SALVAGE CERTIFICATE HAS BEEN ISSUED FOR THE  
 25 VEHICLE; OR

26 D. A LICENSED DEALER HAS TAKEN POSSESSION OF THE  
 27 VEHICLE WITH AN OBLIGATION TO RETURN THE REGISTRATION PLATES.

28 ~~2.~~ (V) BEFORE THE ADMINISTRATION MAY ASSESS A  
 29 PENALTY UNDER THIS SUBSECTION, THE ADMINISTRATION SHALL FIRST VERIFY  
 30 THAT THE REGISTRATION PLATES FOR THE VEHICLE WERE NOT RETURNED TO THE  
 31 ADMINISTRATION WITHIN 10 DAYS AFTER THE TERMINATION OR LAPSE OF THE  
 32 REQUIRED SECURITY.

1                   (5)   (i)    In this paragraph, “family member” means any individual whose  
2 relationship to the vehicle owner is one of those listed under § 13–810(c)(1) of this article  
3 as being exempt from paying the excise tax imposed on the transfer of a vehicle.

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

6                   (iii)   [Regardless] **EXCEPT AS PROVIDED IN PARAGRAPH (1)(IV)**  
7 **AND (V) OF THIS SUBSECTION, REGARDLESS** of whether money or other valuable  
8 consideration is involved in the transfer, if title to a vehicle is transferred by an individual  
9 who has violated this subtitle to a family member, any suspension of the vehicle’s  
10 registration that occurred before the transfer shall continue as if no transfer had occurred  
11 and a new registration may not be issued until the penalty fee is paid.

12           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2022.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.