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## By: Delegate Fraser-Hidalgo

Introduced and read first time: February 15, 2024 Assigned to: Rules and Executive Nominations

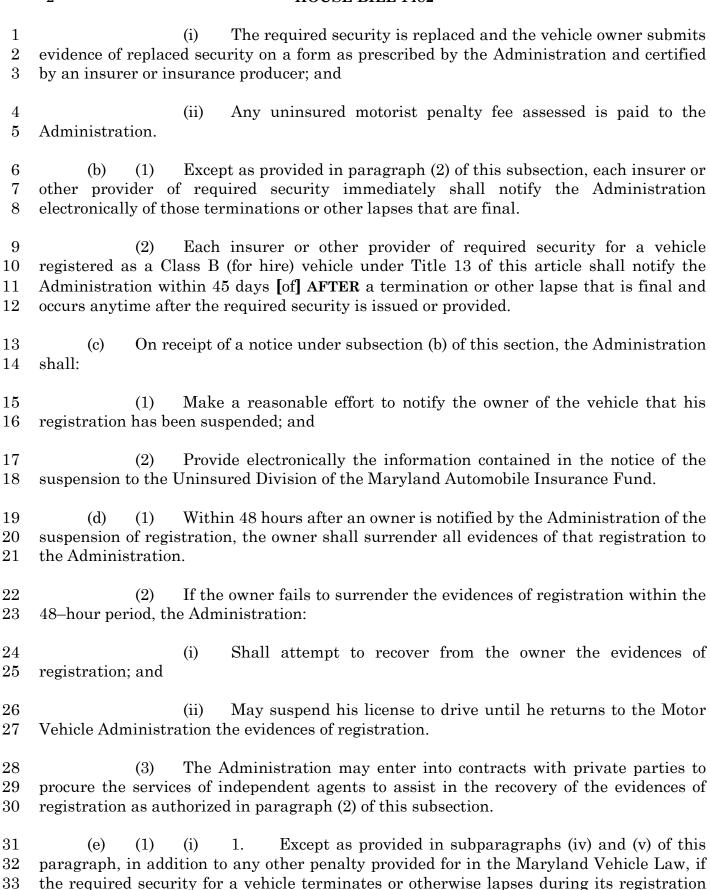
## A BILL ENTITLED

1	AN ACT concerning
2 3	Insurance – Maryland Automobile Insurance Fund – Uninsured Driving Penalties
4	FOR the purpose of altering penalties for failing to maintain certain required security for
5 c	certain motor vehicles; altering the amount of the penalties that are required to be
$\frac{6}{7}$	paid for a certain fiscal year to the Maryland Automobile Insurance Fund and the base amount used to calculate the amount paid in subsequent fiscal years; and
8	generally relating to the Maryland Automobile Insurance Fund and uninsured
9	driving.
10	BY repealing and reenacting, with amendments,
11	Article – Transportation
12	Section 17–106
13	Annotated Code of Maryland
14	(2020 Replacement Volume and 2023 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.
19	(a) If the required security for any vehicle lapses at any time, the registration of
20	that vehicle:
21 22	(1) Is suspended automatically as of the date of the lapse effective not later than 60 days after notification to the Administration that the lapse has occurred; and
23	(2) Remains suspended until:



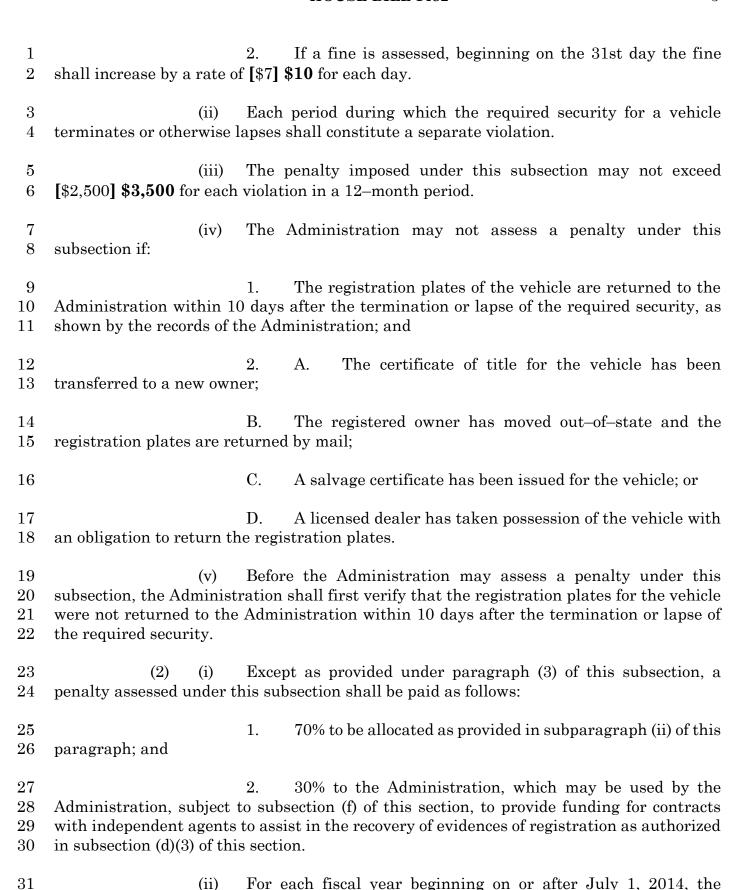
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year, the Administration may assess the owner of the vehicle with a penalty of [\$150] \$200

for each vehicle without the required security for a period of 1 to 30 days.



31 (ii) For each fiscal year beginning on or after July 1, 2014, the 32 percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be 33 allocated among the Safe Schools Fund, the Vehicle Theft Prevention Fund, the Maryland

- 1 Automobile Insurance Fund, and the General Fund as follows:
- 1. \$600,000 to the Safe Schools Fund;
- 3 2. \$2,000,000 to the Vehicle Theft Prevention Fund;
- 4 3. [To] THE AMOUNTS SPECIFIED UNDER
- 5 SUBPARAGRAPH (III) OF THIS PARAGRAPH TO the Maryland Automobile Insurance
- 6 Fund[:
- A. Except for fiscal year 2024 and except as provided under
- 8 item C of this item, the amount distributed to the Maryland Automobile Insurance Fund
- 9 in the prior fiscal year under the provisions of this paragraph adjusted by the change for
- 10 the calendar year preceding the fiscal year in the Consumer Price Index All Urban
- 11 Consumers Medical Care as published by the United States Bureau of Labor Statistics;
- B. For fiscal year 2024, the amount distributed to the
- 13 Maryland Automobile Insurance Fund in the prior fiscal year under the provisions of this
- 14 paragraph adjusted by the change for the calendar year preceding the fiscal year in the
- 15 Consumer Price Index All Urban Consumers Medical Care as published by the United
- 16 States Bureau of Labor Statistics plus an additional \$2,000,000; and
- 17 C. For fiscal year 2025, the amount distributed to the
- 18 Maryland Automobile Insurance Fund calculated in accordance with item A of this item
- 19 excluding the \$2,000,000 distributed to the Fund in fiscal year 2024]; and
- 20 4. The balance to the General Fund.
- 21 (III) 1. EXCEPT FOR FISCAL YEAR 2024 AND EXCEPT AS
- 22 PROVIDED UNDER SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH, THE AMOUNT
- 23 DISTRIBUTED TO THE MARYLAND AUTOMOBILE INSURANCE FUND UNDER
- 24 SUBPARAGRAPH (II)3 OF THIS PARAGRAPH SHALL EQUAL THE AMOUNT
- 25 DISTRIBUTED TO THE MARYLAND AUTOMOBILE INSURANCE FUND IN THE PRIOR
- 26 FISCAL YEAR UNDER THE PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE
- 27 CHANGE FOR THE CALENDAR YEAR PRECEDING THE FISCAL YEAR IN THE
- 28 CONSUMER PRICE INDEX ALL URBAN CONSUMERS MEDICAL CARE AS
- 29 PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS.
- 30 FOR FISCAL YEAR 2024, THE AMOUNT DISTRIBUTED
- 31 TO THE MARYLAND AUTOMOBILE INSURANCE FUND UNDER SUBPARAGRAPH (II)3
- 32 OF THIS PARAGRAPH SHALL EQUAL THE AMOUNT DISTRIBUTED TO THE MARYLAND
- 33 AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE
- 34 PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR
- 35 YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX ALL URBAN
- 36 CONSUMERS MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF

## 1 LABOR STATISTICS PLUS AN ADDITIONAL \$2,000,000.

- 2 3. FOR FISCAL YEAR 2025, THE AMOUNT DISTRIBUTED
- 3 TO THE MARYLAND AUTOMOBILE INSURANCE FUND UNDER SUBPARAGRAPH (II)3
- 4 OF THIS PARAGRAPH SHALL EQUAL THE AMOUNT DISTRIBUTED TO THE MARYLAND
- 5 AUTOMOBILE INSURANCE FUND CALCULATED IN ACCORDANCE WITH
- 6 SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH:
- 7 A. Plus an additional \$2,500,000 dedicated to the
- 8 EXCLUSIVE USE OF THE UNINSURED DIVISION, WHICH SHALL BECOME PART OF THE
- 9 BASE AMOUNT USED TO CALCULATE THE AMOUNT DISTRIBUTED UNDER
- 10 SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH IN SUBSEQUENT FISCAL YEARS; BUT
- B. EXCLUDING THE \$2,000,000 DISTRIBUTED TO THE
- 12 FUND IN FISCAL YEAR 2024.
- 13 (3) Beginning July 1, 2018, any uninsured motorist penalties the
- 14 Administration receives under the Program to Incentivize and Enable Uninsured Vehicle
- Owners to Be Insured established under § 20–612 of the Insurance Article shall be paid to
- 16 the Uninsured Division of the Maryland Automobile Insurance Fund.
- 17 (4) If the Administration assesses a vehicle owner, co—owner, or lessee with
- 18 a penalty under this subsection, the Administration may not take any of the following
- 19 actions until the penalty is paid:
- 20 (i) Reinstate a registration suspended under this subsection;
- 21 (ii) Except for a temporary registration as provided under §
- 22 13-602(a)(2) of this article, issue a new registration for any vehicle that is owned,
- 23 co-owned, or leased by that person and is titled after the violation date; or
- 24 (iii) Renew a registration for a vehicle that is owned, co-owned, or
- 25 leased by that person.
- 26 (5) (i) In this paragraph, "family member" means any individual whose
- 27 relationship to the vehicle owner is one of those listed under § 13–810(c)(1) of this article
- as being exempt from paying the excise tax imposed on the transfer of a vehicle.
- 29 (ii) The monetary penalties provided in this subsection may not be
- 30 avoided by transferring title to the vehicle.
- 31 (iii) Except as provided in paragraph (1)(iv) and (v) of this subsection,
- 32 regardless of whether money or other valuable consideration is involved in the transfer, if
- 33 title to a vehicle is transferred by an individual who has violated this subtitle to a family
- 34 member, any suspension of the vehicle's registration that occurred before the transfer shall
- 35 continue as if no transfer had occurred and a new registration may not be issued until the

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- penalty fee is paid. 1 2 An amount equal to the monetary penalties paid to the Administration 3 under paragraph (2) of this subsection may be used by the Administration only for the enforcement of this subtitle.
- From the amount distributed to the Administration under subsection (e)(2)(i)2 5 6 of this section, expenditures to fund contracts entered into under subsection (d)(3) of this 7 section:
- 8 May not exceed \$1,000,000 in any fiscal year; and (1)
- 9 (2) May be made only:
- 10 Pursuant to an appropriation approved by the General Assembly (i) in the annual State budget; or 11
- 12 (ii) Through the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article, provided that: 13
- 14 The budget amendment and supporting information have 1. 15 been submitted to the budget committees for review and comment; and
- 16 2. At least 45 days have elapsed from the time the budget 17 amendment and supporting information were submitted to the budget committees.
- 18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 19 1, 2024.