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Appropriations Committee

Subcommittees

Capital Budget

Chair, Transportation and the
Environment

Oversight Committee on Personnel



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 368

Testimony of Delegate Marc Korman—Favorable

Thank you Mr. Chair, Mr. Vice Chair and members of the Judicial Proceedings Committee. I come before you today to present the **HB 368 (Vehicle Laws - Penalties for Lapse of Security - Grace Period)**. The legislation makes a simple, technical change to the Motor Vehicle Administration's (MVA) practice of processing returned licensed plates. It was brought to my office's attention by a constituent that an error in the MVA system was causing penalties to be issued to vehicle owners who had cancelled insurance after returning their license plates, but before the plates had been processed by MVA. MVA currently has a 5 day grace period for these penalties. The bill simply extends that grace period to 10 days to ensure that a delay in processing the plates does not lead to an erroneous penalty.

The legislation should not impact MVA's financials. As was the case for our constituent, MVA usually refunds the erroneously issued fine once the error is flagged for them by the vehicle owner. However, the burden should not be placed on vehicle owner to reach out to MVA to rectify the error. The 10 day pause mandated by the bill will give MVA enough time to confirm that the plates were properly returned before issuing a penalty for lapse of insurance. The change will save time for both MVA and vehicle owners by eliminating the possibility of an erroneous fine.

I have had productive conversations with MVA regarding the legislation and upon their suggest, the House passed the bill as amended to expand the 10 day waiting period for the following situations as well:

- Customers that have moved out of state and are returning tags by mail.
- Totaled vehicles that have been deemed salvage and the plates have not returned.
- A licensed dealer that has taken possession of the vehicle with a promise to return but there is an unexpected delay in delivery.

Overall, these changes will improve efficiency and will save MVA valuable administrative time and resources by reducing the number of erroneous fines that need to be corrected. I urge a favorable report.