

# HOUSE BILL 368

R4

2lr0437  
CF 2lr1708

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By: **Delegate Korman**

Introduced and read first time: January 19, 2022

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

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

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 the vehicle's registration  
7 plates are returned to the Administration within a certain number of days after the  
8 termination or lapse; and generally relating to the termination or lapse of the  
9 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:

### Article – Transportation

17  
18 17–106.

19 (e) (1) (i) **1. [In] EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF**  
20 **THIS PARAGRAPH, IN** addition to any other penalty provided for in the Maryland Vehicle  
21 Law, if the required security for a vehicle terminates or otherwise lapses during its  
22 registration year, the Administration may assess the owner of the vehicle with a penalty of  
23 \$150 for each vehicle without the required security for a period of 1 to 30 days.

24 **2.** If a fine is assessed, beginning on the 31st day the fine

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 shall increase by a rate of \$7 for each day.

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

4 (iii) The penalty imposed under this subsection may not exceed  
5 \$2,500 for each violation in a 12-month period.

6 (IV) 1. THE ADMINISTRATION MAY NOT ASSESS A PENALTY  
7 UNDER THIS SUBSECTION IF THE CERTIFICATE OF TITLE FOR THE VEHICLE HAS  
8 BEEN TRANSFERRED TO A NEW OWNER AND THE REGISTRATION PLATES OF THE  
9 VEHICLE ARE RETURNED TO THE ADMINISTRATION WITHIN 10 DAYS AFTER THE  
10 TERMINATION OR LAPSE OF THE REQUIRED SECURITY, AS SHOWN BY THE RECORDS  
11 OF THE ADMINISTRATION.

12 2. BEFORE THE ADMINISTRATION MAY ASSESS A  
13 PENALTY UNDER THIS SUBSECTION, THE ADMINISTRATION SHALL FIRST VERIFY  
14 THAT THE REGISTRATION PLATES FOR THE VEHICLE WERE NOT RETURNED TO THE  
15 ADMINISTRATION WITHIN 10 DAYS AFTER THE TERMINATION OR LAPSE OF THE  
16 REQUIRED SECURITY.

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

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

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

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