

Chapter 446

(Senate Bill 888)

AN ACT concerning

Motor Vehicle Insurance – Program to Incentivize and Enable Uninsured Vehicle Owners to Be Insured

FOR the purpose of establishing in the Motor Vehicle Administration the Program to Incentivize and Enable Uninsured Vehicle Owners to Be Insured; specifying the purpose of the Program; specifying the Program period; specifying the eligibility requirements for vehicle owners participating in the Program; requiring the Administration to notify certain vehicle owners in a certain manner; requiring a certain notice to include certain information; requiring the Administration to waive a portion of certain delinquent uninsured vehicle penalties of certain vehicle owners; specifying the conditions under which a portion of certain delinquent uninsured vehicle penalties may be waived; requiring a certain vehicle owner to pay a certain amount owed under a certain circumstance; requiring a vehicle owner to purchase and maintain a certain required security under a certain circumstance; allowing the Administration to adopt certain regulations; requiring the Administration to coordinate with the Maryland Insurance Administration to publicize the Program; requiring the Administration to make a certain report within a certain period of time; allowing the Administration to accept certain funding or other form of support from the Uninsured Claim and Judgment Fund of the Maryland Automobile Insurance Fund for a certain purpose; defining certain terms; and generally relating to the establishment of the Program, uninsured vehicle penalties, and motor vehicle insurance.

BY adding to

Article – Transportation

Section 17–111

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Transportation**17–111.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CENTRAL COLLECTION UNIT FEE” MEANS THE FEE THE CENTRAL COLLECTION UNIT IN THE DEPARTMENT OF BUDGET AND MANAGEMENT IS AUTHORIZED UNDER § 3-304 OF THE STATE FINANCE AND PROCUREMENT ARTICLE TO ASSESS ON DEBTS OR CLAIMS COLLECTED.

(3) “PROGRAM” MEANS THE PROGRAM TO INCENTIVIZE AND ENABLE UNINSURED VEHICLE OWNERS TO BE INSURED.

(4) “PROGRAM PERIOD” MEANS THE PERIOD DURING WHICH VEHICLE OWNERS MAY HAVE A PORTION OF DELINQUENT UNINSURED VEHICLE PENALTIES WAIVED UNDER THE PROGRAM.

(5) “UNINSURED VEHICLE PENALTY” MEANS THE FINE THE ADMINISTRATION MAY ASSESS A VEHICLE OWNER UNDER § 17-106 OF THIS SUBTITLE FOR A LAPSE OF THE REQUIRED SECURITY ON A VEHICLE DURING A REGISTRATION YEAR.

(B) (1) THERE IS A PROGRAM TO INCENTIVIZE AND ENABLE UNINSURED VEHICLE OWNERS TO BE INSURED IN THE ADMINISTRATION.

(2) THE PURPOSE OF THE PROGRAM IS TO REDUCE THE NUMBER OF UNINSURED VEHICLES IN THE STATE BY INCENTIVIZING AND ENABLING UNINSURED VEHICLE OWNERS WITH DELINQUENT UNINSURED VEHICLE PENALTIES TO BE INSURED.

(C) (1) UNDER THE PROGRAM, THE ADMINISTRATION SHALL:

(I) WAIVE A PORTION OF DELINQUENT UNINSURED VEHICLE PENALTIES ON VEHICLE OWNERS; AND

(II) AS A CONDITION OF WAIVING A PORTION OF DELINQUENT UNINSURED VEHICLE PENALTIES ON VEHICLE OWNERS, REQUIRE VEHICLE OWNERS TO PURCHASE AND MAINTAIN THE REQUIRED SECURITY ON THEIR VEHICLES.

(2) THE PROGRAM PERIOD SHALL:

(I) BE UP TO 90 CALENDAR DAYS; AND

(II) BEGIN NO EARLIER THAN JANUARY 1, 2017, AND END NO LATER THAN DECEMBER 31, 2017.

(D) A VEHICLE OWNER IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF THE VEHICLE OWNER:

(1) IS A RESIDENT OF THE STATE;

(2) DOES NOT HAVE THE REQUIRED SECURITY ON A VEHICLE;

(3) HAS DELINQUENT UNINSURED VEHICLE PENALTIES THAT BECAME DELINQUENT BEFORE JANUARY 1, 2014; AND

(4) HAS NOT BEEN ISSUED A JUDGMENT BY THE CENTRAL COLLECTION UNIT.

(E) (1) THE ADMINISTRATION SHALL NOTIFY VEHICLE OWNERS WHO MAY BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM AT THEIR LAST KNOWN ADDRESS.

(2) THE NOTIFICATION TO A VEHICLE OWNER SHALL INCLUDE:

(I) THE ADMINISTRATION'S WEB SITE ADDRESS AND THE MARYLAND INSURANCE ADMINISTRATION'S WEB SITE ADDRESS, WHERE THE OWNER MAY FIND CONTACT INFORMATION FOR INSURERS THAT WRITE MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE AND OTHER INFORMATION ABOUT MOTOR VEHICLE INSURANCE; AND

(II) THE TOTAL DELINQUENT UNINSURED VEHICLE PENALTIES THAT THE OWNER OWES AND THE AMOUNT OF THE PENALTIES THAT MAY BE WAIVED UNDER THE PROGRAM.

(F) (1) IN ACCORDANCE WITH PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE ADMINISTRATION SHALL WAIVE ~~60%~~ 80% OF A VEHICLE OWNER'S DELINQUENT UNINSURED VEHICLE PENALTIES THAT BECAME DELINQUENT BEFORE JANUARY 1, 2014.

(2) (I) AS A CONDITION OF WAIVING A PORTION OF A VEHICLE OWNER'S DELINQUENT UNINSURED VEHICLE PENALTIES UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE ADMINISTRATION SHALL REQUIRE THE VEHICLE OWNER TO PAY THE BALANCE OF THE DELINQUENT UNINSURED VEHICLE PENALTIES OWED AFTER SUBTRACTING THE WAIVED AMOUNT UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(II) IF A CLAIM AGAINST A VEHICLE OWNER HAS BEEN SENT TO THE CENTRAL COLLECTION UNIT, IN ADDITION TO THE BALANCE OWED UNDER

SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE VEHICLE OWNER SHALL PAY A CENTRAL COLLECTION UNIT FEE CALCULATED AS A PERCENTAGE OF THE AMOUNT OF THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE ADMINISTRATION SHALL REQUIRE A VEHICLE OWNER TO PAY THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND ANY CENTRAL COLLECTION UNIT FEE OWED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH BEFORE THE END OF THE PROGRAM PERIOD.

2. THE ADMINISTRATION MAY ALLOW AN OWNER TO PAY THE BALANCE OWED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND ANY CENTRAL COLLECTION UNIT FEE OWED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH USING A MONTHLY INSTALLMENT PAYMENT PLAN THAT EXTENDS PAYMENTS BEYOND THE END OF THE PROGRAM PERIOD IF THE TERMS OF THE MONTHLY INSTALLMENT PAYMENT PLAN REQUIRE:

A. THE FIRST PAYMENT TO BE DUE ON ENTRY INTO THE PROGRAM; AND

B. THE REMAINING BALANCE OWED TO BE PAID WITHIN 6 MONTHS AFTER ENTRY INTO THE PROGRAM.

(3) (I) AS A CONDITION OF WAIVING A PORTION OF DELINQUENT UNINSURED VEHICLE PENALTIES ON A VEHICLE OWNER UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE ADMINISTRATION SHALL REQUIRE THE VEHICLE OWNER TO PURCHASE AND MAINTAIN THE REQUIRED SECURITY ON THE VEHICLE FOR THE PERIOD OF TIME SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE ADMINISTRATION SHALL REQUIRE THE REQUIRED SECURITY ON THE VEHICLE TO BE MAINTAINED FOR A PERIOD OF AT LEAST 6 MONTHS.

2. THE ADMINISTRATION MAY REQUIRE THAT THE REQUIRED SECURITY ON THE VEHICLE BE MAINTAINED FOR A PERIOD OF AT LEAST 1 YEAR IF THE WAIVER AMOUNT UNDER PARAGRAPH (1) OF THIS SUBSECTION EXCEEDS \$3,000.

(G) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Vehicle Administration shall:

(1) coordinate with the Maryland Insurance Administration to publicize the Program to Incentivize and Enable Uninsured Vehicle Owners to Be Insured established under § 17–111 of the Transportation Article as enacted under Section 1 of this Act, including notifying motor vehicle liability insurers and producers about the Program; and

(2) within 60 days of the end of the Program period, report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on:

(i) the results of the Program; and

(ii) any recommendations to implement another program aimed at reducing the number of uninsured motorists.

SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Vehicle Administration may accept funding or another form of support from the Uninsured Claim and Judgment Fund of the Maryland Automobile Insurance Fund to assist with the Program to Incentivize and Enable Uninsured Vehicle Owners to Be Insured established under § 17–111 of the Transportation Article as enacted under Section 1 of this Act.

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

Approved by the Governor, May 10, 2016.