

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Transportation

17-106.

(e) (1) (i) In addition to any other penalty provided for in the Maryland Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during its registration year, the Administration may assess the owner of the vehicle with a penalty of \$150 for each vehicle without the required security for a period of 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for each day.

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

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

(2) (i) A penalty assessed under this subsection shall be paid as follows:

1. 70% to be allocated to the Maryland Automobile Insurance Fund, THE SCHOOL BUS SAFETY ENFORCEMENT FUND, and the General Fund as provided in subparagraph (ii) of this paragraph; and

2. 30% to the Administration, which may be used by the Administration, subject to subsection (f) of this section, to provide funding for contracts with independent agents to assist in the recovery of evidences of registration as authorized in subsection (d)(3) of this section.

(ii) The percentage of the penalties specified under subparagraph (i) of this paragraph shall be distributed as follows:

1. The amount distributed to the Maryland Automobile Insurance Fund in the prior fiscal year under the provisions of this subparagraph adjusted by the change for the calendar year preceding the fiscal year in the Consumer Price Index - All Urban Consumers - Medical Care as published by the United States Bureau of Labor Statistics to the Maryland Automobile Insurance Fund; [and]

2. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT FUND EACH FISCAL YEAR, STARTING IN FISCAL YEAR 2001 AND CONTINUING THROUGH FISCAL YEAR 2005; AND

3. The balance to the General Fund.

(3) If the Administration assesses a vehicle owner or co-owner with a penalty under this subsection, the Administration may not take any of the following actions until the penalty is paid:

(i) Reinstate a registration suspended under this subsection;