

SENATE BILL 373

R4, D3

1lr1025

By: **Senator Reilly**

Introduced and read first time: January 15, 2021

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Suspension of Driver’s License or Vehicle Registration – Unpaid**
3 **Judgments**

4 FOR the purpose of requiring the Motor Vehicle Administration, on receiving a certain
5 notice, to suspend the driver’s license and all vehicle registrations of a judgment
6 debtor who fails to pay a motor vehicle judgment, subject to certain exceptions;
7 altering the persons authorized to provide certain notice to the Administration;
8 prohibiting the Administration from renewing or reissuing a driver’s license or
9 vehicle registration suspended under this Act until certain conditions are met;
10 requiring the Administration to reinstate the driver’s license and vehicle
11 registrations of a judgment debtor who enters into an installment plan; requiring the
12 Administration to suspend the driver’s license and vehicle registrations of a
13 judgment debtor who fails to pay any installment under an installment plan; and
14 generally relating to administrative penalties for failure to pay motor vehicle
15 judgments.

16 BY repealing and reenacting, without amendments,
17 Article – Transportation
18 Section 17–201
19 Annotated Code of Maryland
20 (2020 Replacement Volume)

21 BY repealing and reenacting, with amendments,
22 Article – Transportation
23 Section 17–202 and 17–209
24 Annotated Code of Maryland
25 (2020 Replacement Volume)

26 BY adding to
27 Article – Transportation
28 Section 17–204 through 17–207

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2020 Replacement Volume)

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

5 **Article – Transportation**

6 17–201.

7 In this subtitle, “judgment” means any final judgment resulting from:

8 (1) A cause of action for damages arising out of the ownership,
9 maintenance, or use on any highway or other property open to the public of any vehicle of
10 a type required to be registered in this State; or

11 (2) A cause of action on an agreement of settlement for damages arising
12 out of the ownership, maintenance, or use on any highway or other property open to the
13 public of any vehicle of a type required to be registered in this State.

14 17–202.

15 If a person fails to satisfy a judgment within 30 days, [the judgment creditor or his
16 representative] **AN INSURER WHO IS OR REPRESENTS A JUDGMENT CREDITOR** may
17 send to the Administration a certified copy of the judgment and, on a form provided by the
18 Administration, a certificate of facts relating to the judgment. The certificate of facts is
19 prima facie evidence of the facts stated in it.

20 **17–204.**

21 **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, ON RECEIPT OF A**
22 **CERTIFIED COPY OF A JUDGMENT AND A CERTIFICATE OF FACTS SENT FROM AN**
23 **INSURER WHO IS OR REPRESENTS A JUDGMENT CREDITOR, THE ADMINISTRATION**
24 **SHALL SUSPEND:**

25 **(1) THE LICENSE TO DRIVE OF THE JUDGMENT DEBTOR; AND**

26 **(2) THE REGISTRATION OF ALL VEHICLES OWNED BY THE JUDGMENT**
27 **DEBTOR AND REGISTERED IN THIS STATE.**

28 **17–205.**

29 **THE ADMINISTRATION MAY NOT SUSPEND A LICENSE OR REGISTRATION**
30 **UNDER THIS SUBTITLE IF THE JUDGMENT AROSE OUT OF AN ACCIDENT CAUSED BY**
31 **A VEHICLE THAT, AT THE TIME OF THE ACCIDENT, WAS:**

1 (1) OWNED OR LEASED BY THE UNITED STATES, THIS STATE, OR ANY
2 POLITICAL SUBDIVISION OF THIS STATE; AND

3 (2) OPERATED WITH THE PERMISSION OF THE OWNER OR LESSEE.

4 17-206.

5 (A) (1) THE ADMINISTRATION MAY NOT SUSPEND A LICENSE OR
6 REGISTRATION UNDER THIS SUBTITLE IF THE ADMINISTRATION FINDS THAT AN
7 INSURER WAS OBLIGATED TO PAY THE JUDGMENT, AT LEAST TO THE EXTENT AND
8 AMOUNTS REQUIRED BY THE MARYLAND VEHICLE LAW, EVEN IF THE JUDGMENT
9 HAS NOT BEEN PAID FOR ANY REASON.

10 (2) A FINDING BY THE ADMINISTRATION THAT AN INSURER WAS
11 OBLIGATED TO PAY A JUDGMENT DOES NOT BIND THE INSURER AND, EXCEPT FOR
12 ADMINISTERING THE PROVISIONS OF THIS SECTION, HAS NO LEGAL EFFECT.

13 (3) NOTWITHSTANDING ANY FINDING BY THE ADMINISTRATION,
14 PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY IF, IN A JUDICIAL
15 PROCEEDING, A COURT DETERMINES BY A FINAL ORDER OR DECREE THAT THE
16 INSURER IS NOT OBLIGATED TO PAY THE JUDGMENT.

17 (B) THE ADMINISTRATION MAY NOT SUSPEND A LICENSE OR REGISTRATION
18 UNDER THIS SUBTITLE IF:

19 (1) THE JUDGMENT DEBTOR OR THE VEHICLE TO WHICH THE
20 JUDGMENT RELATES WAS INSURED BY AN INSURER THAT WAS AUTHORIZED TO DO
21 BUSINESS IN THIS STATE;

22 (2) AFTER THE ACCIDENT INVOLVING THE OWNER OR DRIVER AND
23 BEFORE SETTLEMENT OF THE CLAIM, THE INSURER WENT INTO INSOLVENCY,
24 REORGANIZATION, OR LIQUIDATION; AND

25 (3) AS A RESULT OF THE INSOLVENCY, REORGANIZATION, OR
26 LIQUIDATION, NO BENEFIT, OTHER THAN BENEFITS USED EXCLUSIVELY TOWARDS
27 SATISFYING THE JUDGMENT, ACCRUED TO THE OWNER OR DRIVER BY REASON OF
28 THE INSURANCE.

29 17-207.

30 A LICENSE OR REGISTRATION SUSPENDED UNDER THIS SUBTITLE SHALL
31 REMAIN SUSPENDED AND MAY NOT BE RENEWED OR REISSUED, AND A NEW OR

1 ORIGINAL LICENSE OR REGISTRATION MAY NOT BE ISSUED TO THE JUDGMENT
2 DEBTOR UNTIL THE JUDGMENT IS:

3 (1) STAYED;

4 (2) SATISFIED; OR

5 (3) SUBJECT TO ONE OF THE EXCEPTIONS STATED IN § 17-206 OR §
6 17-209 OF THIS SUBTITLE.

7 17-209.

8 (a) (1) On due notice to the judgment creditor, a judgment debtor may apply
9 to the court that rendered the judgment for the privilege of paying the judgment in
10 installments.

11 (2) In its discretion, the court may order payment of the judgment in
12 installments and may set and modify from time to time the amounts and times of the
13 installment payments.

14 [(3) A judgment debtor may continue to make payments under an
15 installment plan as long as the installment payments are not in default.]

16 (B) IF THE JUDGMENT DEBTOR OBTAINS AN ORDER ALLOWING PAYMENT OF
17 THE JUDGMENT IN INSTALLMENTS:

18 (1) THE ADMINISTRATION SHALL REINSTATE ANY LICENSE OR
19 REGISTRATION OF THE JUDGMENT DEBTOR SUSPENDED UNDER THIS SUBTITLE;
20 AND

21 (2) AS LONG AS THE INSTALLMENT PAYMENTS ARE NOT IN DEFAULT,
22 THE ADMINISTRATION MAY NOT SUSPEND THE LICENSE OR REGISTRATION OF THE
23 JUDGMENT DEBTOR UNDER THIS SUBTITLE.

24 (C) (1) ON NOTICE FROM AN INSURER WHO IS OR REPRESENTS THE
25 JUDGMENT CREDITOR THAT THE JUDGMENT DEBTOR HAS FAILED TO PAY ANY
26 INSTALLMENT AS SPECIFIED IN THE ORDER, THE ADMINISTRATION SHALL
27 SUSPEND:

28 (I) THE LICENSE TO DRIVE OF THE JUDGMENT DEBTOR; AND

29 (II) THE REGISTRATION OF ALL VEHICLES OWNED BY THE
30 JUDGMENT DEBTOR AND REGISTERED IN THIS STATE.

1 **(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, THE**
2 **LICENSE AND REGISTRATION SHALL REMAIN SUSPENDED UNTIL THE JUDGMENT IS**
3 **SATISFIED AS PROVIDED IN THIS SUBTITLE.**

4 **[(b)] (D)** (1) Except as provided for in subsection **[(c)] (E)** of this section, after
5 default and on due notice to the judgment creditor, if past-due installments have been paid,
6 the judgment debtor again may apply to the court that allowed the installment payments
7 for the resumption of the privilege of installment payments.

8 (2) In its discretion, the court may order resumption of the installment
9 payments as provided in subsection (a) of this section.

10 **[(c)] (E)** A judgment debtor under Title 20, Subtitle 6 of the Insurance Article
11 who has been [in default] **SUSPENDED** at least 3 times under subsection **[(a)(3)] (C)** of this
12 section may not resume the privilege of installment payments unless:

13 (1) The Fund receives payment in an amount satisfactory to the Fund; and

14 (2) The Fund consents to the resumption of installment payments.

15 **[(d)] (F)** The actions of a court under this section are without prejudice to any
16 other legal remedy of the judgment creditor.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2021.