

terminates or otherwise lapses during its registration year, the Administration may assess the owner of the vehicle with a penalty of \$100 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 [\$2] \$5 for each day. A PENALTY IMPOSED UNDER THIS SUBSECTION MAY NOT EXCEED \$1,775.

(2) A penalty assessed under this subsection shall be paid to the uninsured section of the Maryland Automobile Insurance Fund except that the Administration may deduct 10 percent of the amount collected under this subsection in any year to cover its costs before remitting the balance. If a penalty is assessed under this section, any amount collected over the initial \$100 shall be divided equally between the Maryland Automobile Fund and the Administration.

(3) If the Administration assesses a vehicle owner with a penalty under this subsection, the Administration may not reinstate a registration suspended under this section OR ISSUE A NEW REGISTRATION TO THAT VEHICLE OWNER until the penalty is paid.

(4) (I) IN THIS PARAGRAPH, "FAMILY MEMBER" MEANS ANY INDIVIDUAL WHOSE RELATIONSHIP TO THE VEHICLE OWNER IS ONE OF THOSE LISTED UNDER § 13-810(B)(1) OF THIS ARTICLE AS BEING EXEMPT FROM PAYING THE EXCISE TAX IMPOSED ON THE TRANSFER OF A VEHICLE.

(II) THE MONETARY PENALTIES PROVIDED IN THIS SUBSECTION MAY NOT BE AVOIDED BY TRANSFERRING TITLE TO THE VEHICLE.

(III) REGARDLESS OF WHETHER MONEY OR OTHER VALUABLE CONSIDERATION IS INVOLVED IN THE TRANSFER, IF TITLE TO A VEHICLE IS TRANSFERRED BY AN INDIVIDUAL WHO HAS VIOLATED THIS SUBTITLE TO A FAMILY MEMBER, ANY SUSPENSION OF THE VEHICLE'S REGISTRATION THAT OCCURRED BEFORE THE TRANSFER SHALL CONTINUE AS IF NO TRANSFER HAD OCCURRED AND A NEW REGISTRATION MAY NOT BE ISSUED UNTIL THE PENALTY FEE IS PAID.

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(a) (1) The Administration shall annually select for verification on a random sample basis not less than 10 percent of vehicle registrations subject to the security required by this subtitle.

(2) (I) UPON THE SELECTION OF ANY REGISTERED VEHICLE OWNER FOR VERIFICATION, THE ADMINISTRATION SHALL REQUEST PROOF OF INSURANCE FROM THE VEHICLE OWNER'S INSURER OR AGENT.

(II) THE REGISTERED VEHICLE OWNER'S INSURER OR AGENT SHALL CERTIFY AND, WITHIN 30 DAYS, SUBMIT TO THE ADMINISTRATION ON A FORM PRESCRIBED BY THE ADMINISTRATION NOTICE IF THE REGISTERED VEHICLE OWNER IS NOT INSURED WITH THAT INSURER OR AGENT ON THE DATE SPECIFIED BY THE ADMINISTRATION.