

SECTION 11. AND BE IT FURTHER ENACTED, That Section(s) 570(a), (b), (c), and (d) of Article 48A – Insurance Code of the Annotated Code of Maryland be repealed and reenacted, with amendments, and transferred to the Session Laws, to read as follows:

LEGAL MUTUAL LIABILITY INSURANCE SOCIETY OF MARYLAND

[570.] 1.

(a) Within 30 days after the date the [Society] LEGAL MUTUAL LIABILITY INSURANCE SOCIETY OF MARYLAND is incorporated, the Clerk of the Court of Appeals of Maryland shall certify to the State Treasurer a list of all attorneys admitted to practice law in the State as shown in the records of the Clients' Security Trust Fund, as provided for in Article 10, § 43 of the Code on the date of the Society's incorporation.

(b) A special one-time tax for the privilege of practicing law in the State is levied on attorneys listed by the Treasurer in accordance with subsection (a) of this section in the amount of \$150 per attorney, to be levied and assessed within 30 days of receipt of the certified list of attorneys. The tax shall be collected by the Treasurer within 60 days after receipt of the certified list of attorneys.

(c) If the tax imposed by this section is not paid within 60 days from the date the tax is levied and assessed, the attorney who is liable for its payment shall pay an additional tax as a penalty. The penalty may not exceed 10 percent of the tax due, plus interest at the rate determined under § 13-604 of the Tax – General Article for each month the tax remains unpaid. Interest may not be assessed on the tax which is due as a penalty. If any attorney fails to pay the tax due under this section, on or before the date fixed for its payment, the full amount of all the tax due the State, together with any interest, penalty, or addition to the tax, shall be a lien in favor of the State upon all property and all rights to property, real or personal, belonging to the person in accordance with Title 13, Subtitle 8, Part II of the Tax – General Article.

(d) (1) The General Assembly of Maryland dedicates the proceeds of the tax provided by this section as the initial policyholders' surplus of the Society.

(2) After retaining an amount to pay the cost of collection, the Treasurer and Comptroller shall pay over the proceeds of the tax to the Society within 30 days.

REVISOR'S NOTE: This section formerly was Art. 48A, § 570(a), (b), (c), and (d).

Former Art. 48A, § 570(a), (b), (c), and (d) required the Clerk of the Court of Appeals to certify a list of all attorneys admitted to practice law in the State, levied a special one-time tax of \$150 for the privilege of practicing law in the State, established penalties for failure to pay the tax, dedicated the proceeds of the tax, and required the Treasurer and Comptroller to pay over the proceeds of the tax to the Society within 30 days. These provisions are transferred to the Session Laws because of their limited and diminishing applicability. The provisions are not obsolete at this time because a lawyer could still be subject to the penalties imposed for not paying the tax and because the lawyer may be entitled to credit against liability for a membership fee. See § 24-108(c)(2) of the Insurance Article.