

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1330 (Delegate Amprey)
Environment and Transportation

Vehicle Laws - Towing Charges and Abandoned Vehicles

This bill applies provisions regulating the towing or removal of vehicles from parking lots to the towing and removal of vehicles from public rights-of-way. In addition, the bill alters the amount a person may charge for towing by specifying that the total permissible charges authorized under State law exclude any administrative fees or additional charges or fees for additional services related to the towing. The bill also authorizes *any* person to sell (at public auction) an abandoned vehicle found on that person's property if (1) the vehicle is not reclaimed as required in State law and (2) an appropriate certificate of authority is issued for the vehicle (as is currently required for transfer to an automotive dismantler and recycler or scrap processor). The person must comply with existing requirements related to the disposal of abandoned vehicles in State law.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances or operations.

Local Effect: The bill is not anticipated to materially affect local government finances or operations.

Small Business Effect: Meaningful.

Analysis

Current Law:

Rights, Duties, and Obligations – Towing or Removing Vehicles from Parking Lots

Towing and daily storage rates are based on the limits set by the political subdivision for a public safety tow from which the vehicle was towed, or if no limit is established, no more than \$250 for towing and \$30 per day for storage. A tower may also charge the cost of providing notice to specified parties, but the tower must also provide the itemized cost of giving this notice.

In addition, towing services are required to notify police within one hour of the tow and photograph the violation or event that precipitated the violation. The tower must provide specified notice to the owner of the vehicle, as well as any secured party, and the vehicle's insurer, within seven days of the vehicle's removal from a parking lot, not including days that the towing business is closed.

A towing service that tows a vehicle from a parking lot is prohibited from charging for the actual cost of providing the required notice of the tow if the vehicle's owner or agent, insurer, or any secured party retakes possession of the vehicle within 48 hours of the vehicle being received by the storage facility.

The Motor Vehicle Administration must maintain a database of addresses for providing notice to an insurer and make the database available to towers free of charge.

Abandoned Vehicles and Sale at Public Auction by the Police

An "abandoned vehicle" is defined, among other things, as any motor vehicle, trailer, or semitrailer that has remained on private property for more than two days without the consent of the owner (or person in control of the property).

A person may not abandon a vehicle on any public property or on any property other than his or her own without the permission of the owner (or lessee) of the property. The last known registered owner of an abandoned vehicle is considered to be the *prima facie* owner of the vehicle at the time of abandonment as well as the person who abandoned it.

A police department is authorized to take any abandoned vehicle into custody using its own personnel, equipment, and facilities. In addition, subject to specified requirements, a police department may use other persons, equipment, and facilities for removing, preserving, and storing abandoned vehicles.

If an abandoned vehicle is not reclaimed after following specified notice procedures, the police may sell the vehicle at public auction and use the proceeds for reimbursement of the costs of towing, preserving, and storing the vehicle and the expenses of the auction, including all notice and publication costs. Any remaining proceeds must be held for 90 days for the owner of the vehicle and any entitled secured party, after which the remaining proceeds revert to the treasury of the county or municipality in which the sale was made. The police may also retain and use a vehicle or transfer the vehicle for dismantling or scrapping.

Transfer and Disposal of Vehicles for Dismantling and Recycling or Scrapping

A person who owns a vehicle, a person on whose property an abandoned vehicle is found, or a person who has lawful, documented possession of a vehicle for which the certificate of title is defective, lost, or destroyed may apply to a law enforcement agency (in the appropriate jurisdiction) for authority to transfer an abandoned vehicle to an automotive dismantler and recycler or scrap processor.

The application must be made under penalty of perjury. A law enforcement agency is authorized to approve the application if the applicant appears to be the rightful owner after verification of the information in the application. Otherwise, if the application is made by a person other than the rightful owner, the law enforcement agency must follow current notification procedures for abandoned vehicles.

If an applicant submits with an application documentary proof that the required notice procedures were followed, a law enforcement agency is required to accept the document as proof of compliance.

A law enforcement agency must give the applicant a certificate of authority to transfer a vehicle to an automotive dismantler and recycler or scrap processor if notice has been provided to the owner of the vehicle and any secured party.

It is a felony to knowingly make a false statement on an application for a certificate of authority. On conviction, the offender is subject to a fine of up to \$1,000 or imprisonment for up to 10 years, or both.

Small Business Effect: Under the bill, private towing companies are authorized to conduct additional towing activities from public rights-of-way, which may meaningfully benefit such businesses. The bill also may allow towing companies to charge additional fees that are not permitted under current law. Finally, some private companies may be able to sell abandoned vehicles at public auction. (Currently, only police departments are authorized to do so.) Such small businesses may meaningfully benefit under the bill. However,

automotive dismantlers and recyclers and scrap processors may realize a decrease in business.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of State Police; Maryland Department of Transportation; City of Bowie; Montgomery and Prince George's counties; Department of Legislative Services

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