

# HOUSE BILL 870

R5

2lr1786  
CF SB 731

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By: **Delegates Foley and Fraser–Hidalgo**  
Introduced and read first time: February 7, 2022  
Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 7, 2022

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Vehicle Towing or Removal – Secured Parties – Electronic Notification**

3 FOR the purpose of ~~requiring~~ authorizing a person who undertakes the towing or removal  
4 of a vehicle from a parking lot to notify any secured party electronically if that form  
5 of notice is agreed to by the tower and the secured party in a certain manner; and  
6 generally relating to notification of secured parties after towing or removing a vehicle  
7 from a parking lot.

8 BY repealing and reenacting, with amendments,  
9 Article – Transportation  
10 Section 21–10A–04  
11 Annotated Code of Maryland  
12 (2020 Replacement Volume and 2021 Supplement)

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

15 **Article – Transportation**

16 21–10A–04.

17 (a) Unless otherwise set by local law, a person who undertakes the towing or  
18 removal of a vehicle from a parking lot:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (1) May not charge the owner of the vehicle, the owner's agent, the insurer  
2 of record, or any secured party more than:

3 (i) Twice the amount of the total fees normally charged or  
4 authorized by the political subdivision for the public safety impound towing of vehicles;

5 (ii) Notwithstanding § 16-207(f)(1) of the Commercial Law Article,  
6 the fee normally charged or authorized by the political subdivision from which the vehicle  
7 was towed for the daily storage of impounded vehicles;

8 (iii) If a political subdivision does not establish a fee limit for the  
9 public safety towing, recovery, or storage of impounded vehicles, \$250 for towing and  
10 recovering a vehicle and \$30 per day for vehicle storage; and

11 (iv) Subject to subsection (b) of this section, the actual cost of  
12 providing notice under this section;

13 (2) Shall notify the police department in the jurisdiction where the parking  
14 lot is located within 1 hour after towing or removing the vehicle from the parking lot, and  
15 shall provide the following information:

16 (i) A description of the vehicle including the vehicle's registration  
17 plate number and vehicle identification number;

18 (ii) The date and time the vehicle was towed or removed;

19 (iii) The reason the vehicle was towed or removed; and

20 (iv) The locations from which and to which the vehicle was towed or  
21 removed;

22 (3) (I) ~~{Shall} EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM,~~  
23 ~~SHALL~~ notify the owner, ~~any secured party, and~~ the insurer of record, AND, EXCEPT AS  
24 PROVIDED IN ITEM (II) OF THIS ITEM, ANY SECURED PARTY by certified mail, return  
25 receipt requested, and first-class mail within 7 days, exclusive of days that the towing  
26 business is closed, after towing or removing the vehicle, and shall provide the same  
27 information required in a notice to a police department under item (2) of this subsection;  
28 AND

29 (II) ~~SHALL NOTIFY~~ MAY PROVIDE NOTICE REQUIRED UNDER  
30 ITEM (I) OF THIS ITEM TO ANY SECURED PARTY ELECTRONICALLY, IF THAT FORM OF  
31 NOTICE IS AGREED TO BY THE TOWER AND THE SECURED PARTY IN WRITING OR BY  
32 ELECTRONIC COMMUNICATION;

33 (4) Shall provide to the owner, any secured party, and the insurer of record  
34 the itemized actual costs of providing notice under this section;

1 (5) Before towing or removing the vehicle, shall have authorization of the  
2 parking lot owner which shall include:

3 (i) The name of the person authorizing the tow or removal;

4 (ii) A statement that the vehicle is being towed or removed at the  
5 request of the parking lot owner; and

6 (iii) Photographic evidence of the violation or event that precipitated  
7 the towing of the vehicle;

8 (6) Shall obtain commercial liability insurance in the amount required by  
9 federal law for transporting property in interstate or foreign commerce to cover the cost of  
10 any damage to the vehicle resulting from the person's negligence;

11 (7) May not employ or otherwise compensate individuals, commonly  
12 referred to as "spotters", whose primary task is to report the presence of unauthorized  
13 parked vehicles for the purposes of towing or removal, and impounding;

14 (8) May not pay any remuneration to the owner, agent, or employee of the  
15 parking lot; and

16 (9) May not tow a vehicle solely for a violation of failure to display a valid  
17 current registration under § 13-411 of this article until 72 hours after a notice of violation  
18 is placed on the vehicle.

19 (b) A person may not charge for the actual cost of providing notice under  
20 subsection (a)(1)(iv) of this section if the vehicle owner, the owner's agent, the insurer of  
21 record, or any secured party retakes possession of the vehicle within 48 hours after the  
22 vehicle was received at the storage facility.

23 (c) The Administration shall:

24 (1) Establish and maintain a database containing the proper address for  
25 providing notice to an insurer under subsection (a)(3) of this section for each insurer  
26 authorized to write a vehicle liability insurance policy in the State; and

27 (2) Make the database available to any tower free of charge.

28 **(D) AN AGREEMENT TO PROVIDE NOTICE ELECTRONICALLY MADE IN**  
29 **ACCORDANCE WITH SUBSECTION (A)(3)(II) OF THIS SECTION SHALL REMAIN IN**  
30 **EFFECT UNTIL TERMINATED BY EITHER PARTY.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2022.