

SENATE BILL 731

R5

2lr1884
CF HB 870

By: **Senators Watson, Rosapepe, Lee, Smith, and Pinsky**

Introduced and read first time: February 7, 2022

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 5, 2022

CHAPTER _____

1 AN ACT concerning

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

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

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 by certified mail,
24 return receipt requested, and first-class mail within 7 days, exclusive of days that the
25 towing business is closed, after towing or removing the vehicle, and shall provide the same
26 information required in a notice to a police department under item (2) of this subsection;
27 **AND**

28 (II) **SHALL NOTIFY ANY SECURED PARTY ELECTRONICALLY, IF**
29 **THAT FORM OF NOTICE IS AGREED TO BY THE TOWER AND THE SECURED PARTY IN**
30 **WRITING OR BY ELECTRONIC COMMUNICATION;**

31 (4) Shall provide to the owner, any secured party, and the insurer of record
32 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.