

Chapter 669

(House Bill 1002)

AN ACT concerning

Commercial Vehicles – Police–Initiated Towing – Alterations

FOR the purpose of altering certain provisions related to the rates the Department of State Police sets for tow companies involved in certain police–initiated towing; establishing the Committee on Rate Setting and Complaint Resolution for Police–Initiated Medium–Duty and Heavy–Duty Towing and Recovery; and generally relating to the police–initiated towing of commercial vehicles.

BY repealing and reenacting, with amendments,
Article – Public Safety
Section 2–314
Annotated Code of Maryland
(2022 Replacement Volume)

BY adding to
Article – Public Safety
Section 2–314.1
Annotated Code of Maryland
(2022 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 16A–101
Annotated Code of Maryland
(2013 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 16A–101(d)
Annotated Code of Maryland
(2013 Replacement Volume and 2022 Supplement)
(As enacted by Section 2 of this Act)

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

Article – Public Safety

2–314.

(a) (1) In this section the following words have the meanings indicated.

(2) “APPROVED RATES” MEANS THE MAXIMUM RATES APPROVED BY THE DEPARTMENT THAT APPLY TO POLICE–INITIATED TOWING AND RECOVERY SERVICES.

[(2)] (3) “Authorized tow company” means a company providing towing and recovery services at the request of the Department and designated on the tow list.

[(3)] (4) “Heavy–duty towing” means towing and recovery of a vehicle including trailers and semitrailers with a gross vehicle weight rating over 26,000 pounds.

[(4)] (5) “Medium–duty towing” means towing and recovery of a vehicle including trailers or semitrailers with a gross vehicle weight rating from over 10,000 pounds to 26,000 pounds.

[(5)] (6) “Per pound billing” means a method of calculating a fee for towing and recovery services using a formula that considers the weight of the vehicle, equipment, or cargo that is the subject of the towing and recovery and multiplies the weight of the vehicle, equipment, or cargo by a monetary amount.

[(6)] (7) “Police–initiated towing” means the towing or recovery of a commercial motor vehicle which was authorized, requested, or dispatched by the Department.

(8) “RECOVERY” MEANS WINCHING, HOISTING, UP–RIGHTING, REMOVING, OR OTHERWISE RELOCATING A VEHICLE WHEN THE VEHICLE IS FOUND IN A LOCATION, STATE, OR POSITION IN WHICH IT CANNOT BE REMOVED FROM THE LOCATION, STATE, OR POSITION USING ONLY THE VEHICLE’S OWN POWER, EVEN IF IT WERE IN COMPLETE OPERATING CONDITION.

[(7)] (9) “Tow list” means the list of towing businesses authorized by the Department to perform police–initiated towing services of disabled or abandoned commercial vehicles within the Department’s jurisdiction.

(10) “TOWING” MEANS USING ANOTHER VEHICLE TO MOVE OR REMOVE A VEHICLE.

(b) The Department shall:

(1) establish and maintain a tow list, by county, of qualifying tow companies for use by the Department in carrying out the duties of this subtitle; and

(2) make the tow list available to the public on request.

(c) The Department may adopt regulations to establish standards for tow companies, including application procedures and minimum qualification requirements, and must include on the list all qualifying tow companies.

(d) The Department shall:

(1) [require a tow company applying to the Department's tow list for medium- and heavy-duty towing to submit a rate sheet that does not include per pound billing;

(2) require a tow company that [makes an application under item (1) of this subsection] **IS ON THE TOW LIST** to ban the use of per pound billing by October 1, 2023;

[(3) require the Department to make each tow company's rate sheet required under item (1) of this subsection available on request; and]

(2) ESTABLISH THE APPROVED RATES FOR MEDIUM- AND HEAVY-DUTY TOWING AND RECOVERY THAT MAY BE CHARGED BY A TOW COMPANY ON THE TOW LIST BY JANUARY 1, 2024; AND

[(4) **(3)** develop a process to receive, investigate, and adjudicate complaints from a vehicle owner or operator or the owner's designee against an authorized tow company regarding the police-initiated towing of a commercial motor vehicle, including a process to suspend or remove an authorized tow company from the tow list.

(e) An authorized tow company may charge less than but may not charge more than the **APPROVED** rates [on the rate sheet submitted to] **AUTHORIZED BY** the Department for a police-initiated towing **AND RECOVERY**.

(f) If a vehicle owner or the owner's designee requests the use of a specific towing company, the Department shall honor that request and allow the vehicle owner to engage the services of the requested towing company except when:

(1) the requested towing company cannot arrive at the location of the vehicle within a reasonable time period;

(2) a traffic safety problem exists and the requested towing company cannot arrive at the location within 30 minutes of a police employee's arrival at the location of the vehicle; or

(3) the vehicle is disabled in the roadway as a result of a collision or vehicle fire and the requested towing company cannot arrive within 30 minutes of a police employee's arrival at the location of the vehicle.

2-314.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “APPROVED RATES” HAS THE MEANING STATED IN § 2-314 OF THIS SUBTITLE.

(3) “COMMITTEE” MEANS THE COMMITTEE ON RATE SETTING AND COMPLAINT RESOLUTION FOR POLICE-INITIATED MEDIUM-DUTY AND HEAVY-DUTY TOWING AND RECOVERY.

(4) “POLICE-INITIATED TOWING” HAS THE MEANING STATED IN § 2-314 OF THIS SUBTITLE.

(5) “RECOVERY” HAS THE MEANING STATED IN § 2-314 OF THIS SUBTITLE.

(B) THERE IS A COMMITTEE ON RATE SETTING AND COMPLAINT RESOLUTION FOR POLICE-INITIATED MEDIUM-DUTY AND HEAVY-DUTY TOWING AND RECOVERY.

(C) THE COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

(1) TWO REPRESENTATIVES OF THE TOWING AND RECOVERY PROFESSIONALS OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE TOWING AND RECOVERY PROFESSIONALS OF MARYLAND;

(2) A REPRESENTATIVE OF THE MARYLAND MOTOR TRUCK ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE MARYLAND MOTOR TRUCK ASSOCIATION;

(3) A REPRESENTATIVE OF THE OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION;

(4) A REPRESENTATIVE OF THE MARYLAND TRANSPORTATION AUTHORITY POLICE, APPOINTED BY THE SECRETARY OF TRANSPORTATION;

(5) A REPRESENTATIVE OF THE STATE HIGHWAY ADMINISTRATION, APPOINTED BY THE ADMINISTRATOR OF THE STATE HIGHWAY ADMINISTRATION; AND

(6) A REPRESENTATIVE OF THE MARYLAND INSURANCE ADMINISTRATION, APPOINTED BY THE INSURANCE COMMISSIONER.

(D) (1) A MEMBER OF THE COMMITTEE SHALL BE APPOINTED FOR A 3-YEAR TERM.

(2) A MEMBER OF THE COMMITTEE MAY BE REAPPOINTED AT THE END OF THE MEMBER'S TERM.

(E) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT FOR THE COMMITTEE.

(F) A MEMBER OF THE COMMITTEE:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COMMITTEE; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(G) THE COMMITTEE SHALL:

(1) ON OR BEFORE DECEMBER 1, 2023, RECOMMEND APPROVED RATES TO THE DEPARTMENT THAT SHOULD BE CHARGED FOR POLICE-INITIATED TOWING AND RECOVERY SERVICES;

(2) MEET AT LEAST ONCE EVERY 3 YEARS TO REVIEW AND CONSIDER MODIFICATION OF THE APPROVED RATES;

(3) REQUEST INFORMATION AND COMMENTS FROM OTHER PARTIES OF INTEREST TO ASSIST WITH ITS WORK;

(4) RECOMMEND TO THE DEPARTMENT A PROCESS FOR RESOLVING TOWING COMPLAINTS; AND

(5) MAKE ANY ADDITIONAL RECOMMENDATIONS TO THE DEPARTMENT THAT THE COMMITTEE CONSIDERS APPROPRIATE.

~~**(H) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT TO THE COMMITTEE.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Commercial Law

16A–101.

(a) (1) In this title the following words have the meanings indicated.

(2) “Authorized tow company” has the meaning stated in § 2–314 of the Public Safety Article.

(3) “Heavy–duty towing” has the meaning stated in § 2–314 of the Public Safety Article.

(4) “Medium–duty towing” has the meaning stated in § 2–314 of the Public Safety Article.

(5) “Police–initiated towing” has the meaning stated in § 2–314 of the Public Safety Article.

(6) “Tow list” has the meaning stated in § 2–314 of the Public Safety Article.

(b) (1) Title 16 of this article does not apply to police–initiated towing services by an authorized tow company.

(2) Police–initiated towing does not create a lien or security interest for the authorized tow company in any equipment, vehicle, or cargo.

(c) An authorized tow company shall provide a vehicle owner or operator or the owner’s designee with reasonable access to a vehicle that is the subject of a police–initiated towing so that the vehicle owner or operator or the owner’s designee may access and collect any personal property or cargo contained in the vehicle, regardless of whether any payment has been made for the authorized tow company’s services.

(d) (1) If there is no dispute as to the fees assessed by the authorized tow company for the police–initiated towing of a vehicle:

(i) The vehicle owner or operator or the owner’s designee shall pay the authorized tow company’s invoice; and

(ii) The authorized tow company shall release a vehicle and any cargo that was the subject of a police–initiated towing immediately.

(2) If there is a genuine dispute as to the reasonableness or amount of the fees assessed by an authorized tow company:

(i) The authorized tow company shall release the cargo immediately to the owner or the owner's authorized agent in accordance with this subsection on submission of:

1. Proof of ownership if the cargo does not belong to the transportation company; or

2. If the cargo belongs to the transportation company:

A. A letter from the insurance company stating there is coverage for the relevant claim or accident and including, at minimum, a claim number, policy number, and policy limit; or

B. If an insurance policy required under item 2 of this item is not high enough to cover the cost of the cargo clean-up, a signed letter of guarantee from the transportation company; and

(ii) Beginning [October 1, 2023,] **MARCH 1, 2024**, the authorized tow company shall release the vehicle to the owner or the owner's authorized agent on payment of 20% of the invoice by the vehicle owner or operator or the owner's designee.

(3) A payment under paragraph (2)(ii) of this subsection does not eliminate the remainder of the financial obligation to the authorized tow company.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Commercial Law

16A-101.

(d) (1) If there is no dispute as to the fees assessed by the authorized tow company for the police-initiated towing of a vehicle:

(i) The vehicle owner or operator or the owner's designee shall pay the authorized tow company's invoice; and

(ii) The authorized tow company shall release a vehicle and any cargo that was the subject of a police-initiated towing immediately.

(2) If there is a genuine dispute as to the reasonableness or amount of the fees assessed by an authorized tow company[:

(i) The] **THE** authorized tow company shall release the cargo immediately to the owner or the owner's authorized agent in accordance with this subsection on submission of:

[1.] (I) Proof of ownership if the cargo does not belong to the transportation company; or

[2.] (II) If the cargo belongs to the transportation company:

[A.] 1. A letter from the insurance company stating there is coverage for the relevant claim or accident and including, at minimum, a claim number, policy number, and policy limit; or

[B.] 2. If an insurance policy required under item 2 of this item is not high enough to cover the cost of the cargo clean-up, a signed letter of guarantee from the transportation company[]; and

(ii) Beginning March 1, 2024, the authorized tow company shall release the vehicle to the owner or the owner's authorized agent on payment of 20% of the invoice by the vehicle owner or operator or the owner's designee.

(3) A payment under paragraph (2)(ii) of this subsection does not eliminate the remainder of the financial obligation to the authorized tow company[].

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) Section 3 of this Act is contingent upon the receipt of notice from the Department of State Police that approved rates for medium- and heavy-duty towing and recovery have been adopted as required by § 2-304(d)(2) of the Public Safety Article as enacted by Section 1 of this Act.

(b) Within 5 days after the approved rates for medium- and heavy-duty towing and recovery are adopted, the Maryland Department of State Police shall notify the Department of Legislative Services.

(c) If notice of the adoption of the approved rates is received by the Department of Legislative Services, Section 3 of this Act shall take effect on the date notice is received by the Department of Legislative Services in accordance with subsection (b) of this section.

(d) If Section 3 of this Act takes effect, Section 2 of this Act, with no further action by the General Assembly, shall be null and void.

SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this Act, this Act shall take effect July 1, 2023.

Approved by the Governor, May 16, 2023.