

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1040 (Delegate Kipke)
Environment and Transportation

Anne Arundel County – Abandoned Vehicles

This bill expands numerous provisions of State law governing the treatment of abandoned vehicles (including provisions related to reclamation by secured parties and cost recovery by police departments for the impoundment, storage, and sale of such vehicles) to apply to Anne Arundel County and municipal corporations within the county.

Fiscal Summary

State Effect: Potential minimal impact on Transportation Trust Fund (TTF) revenues, as discussed below. Expenditures are not materially affected.

Local Effect: Although the bill has an operational effect on Anne Arundel County and municipalities within the county, the net fiscal impact is generally assumed to be minimal, as discussed below.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law: An “abandoned vehicle” is defined as a motor vehicle, trailer, or semitrailer that:

- is inoperable and left unattended for 48 hours on public property;
- remains illegally on public property for 48 hours;
- is on private property without consent for 48 hours;

- has remained in a garage for more than 10 days after the garage keeper has given the vehicle owner notice to remove the vehicle, or beyond the time when, by contract, the vehicle was to remain in the garage;
- is left for more than 10 days in a garage by someone other than the registered owner or left by a person only authorized to have possession of the vehicle under a contract;
- has remained on public property for 48 hours and has invalid or incorrect registration plates;
- has been left unattended for 24 hours on a controlled access highway;
- has been left unattended on a highway and does not display appropriate warning devices; or
- is not reclaimed from impoundment under specific court order.

Notice by Police to Last Known Registered Owner and Secured Parties

As soon as reasonably possible – but no more than seven days after it takes an abandoned vehicle into custody – a police department must send a notice by certified U.S. mail with a return receipt requested to (1) the last known registered owner of the vehicle and (2) each secured party, as shown on Motor Vehicle Administration (MVA) records.

The notice must include specified information, including information about the vehicle and the location of the facility where the vehicle is held. In general, a vehicle may be reclaimed within three weeks after the date of the notice, after payment of all towing, preservation, and storage charges resulting from taking or placing the vehicle in custody. (In Baltimore City, Montgomery County, and (under the bill) Anne Arundel County, the vehicle must be reclaimed within 11 working days after receipt of the notice and payment of any applicable charges.)

In Baltimore City and Prince George’s, Montgomery, and (under the bill) Anne Arundel counties, a police department or its agent may seek to recover costs of impoundment, storage, and sale of a vehicle, as specified in the Transportation Article. If a police department or its agent seeks to exercise this option, the required notice must include additional information specifying the consequences of failing to reclaim the vehicle within the specified time period.

Failure to Reclaim Vehicle

Failure to reclaim the vehicle within the appropriate time period is considered (1) a waiver of the owner’s or secured party’s right, title, and interest in the vehicle; (2) a consent to the sale of the vehicle at public auction; and (3) a consent by the owner (other than a lessor) to the retention of the vehicle for public purposes as specified in the Transportation Article.

Sale of Vehicle and Disposition of Proceeds

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.

Liability for Costs of Preservation and Storage of Vehicles

The provisions for liability for preservation and storage of an unclaimed vehicle apply to any vehicle sold as abandoned by a police department of Baltimore City, Prince George's, Montgomery, and (under the bill) Anne Arundel counties or a municipal corporation in Prince George's, Montgomery, or (under the bill) Anne Arundel counties. The provisions apply in those jurisdictions to any vehicle sold as abandoned and unclaimed, reported stolen, recovered and subsequently unclaimed, or involved in an accident, removed by police, and subsequently unclaimed. If the money from the sale of an unclaimed vehicle is not enough to reimburse a police department or its agent for the costs of towing, preserving, storing a vehicle, and selling the vehicle, including publication and notification, then the last registered owner is liable to the police or its agent for the deficiency. The maximum cost chargeable to the last registered owner for the preservation and storage of an unclaimed vehicle is \$300.

If the last registered owner transfers a vehicle after it has been towed or impounded, but before its sale at auction, and the transferee received notice of the liability, then the transferee is responsible for a deficiency from preservation and storage of an unclaimed vehicle, up to a maximum of \$300. Also, if the last registered owner made a gift of the vehicle to another person prior to towing or impoundment, then the owner is not liable for the preservation and storage costs for the vehicle. However, the registered owner has the burden of showing that a gift of the vehicle actually occurred. If the required notice has not been provided to the last registered owner or secured party as required by law, then the liability may not be assessed to that person.

Restrictions on Vehicle Registration for Liability Incurred

In Baltimore City and Montgomery, Prince George's, and (under the bill) Anne Arundel counties, failure to reclaim a vehicle could result in the denial of any application to renew the registration of any vehicle.

State Fiscal Effect: Because the bill prohibits MVA from renewing the registration of any vehicle subject to the cost liabilities discussed above, TTF revenues may be affected, as any registration flagged under this provision is subject to a \$30 administrative flag fee. The restriction applies to *any* vehicle registered to the affected applicant. Thus, to the extent there is any TTF revenue impact, this analysis assumes that most of the impact is likely a result of an owner paying a flag fee due to other (*i.e.*, non-abandoned) vehicles registered in that owner's name.

Local Fiscal Effect: Anne Arundel County advises that it expects the overall fiscal impact of the bill to be neutral, as any fees collected pursuant to the bill's changes are likely offset by towing and/or storage costs. If any abandoned vehicles go to auction, there may be a minimal net loss or gain to the county, likely due to accrued storage fees. To the extent municipalities within the county use the authorizations granted by the bill, a similar impact is expected for those jurisdictions.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Anne Arundel County; City of Laurel; Maryland Department of Transportation; Department of State Police; Department of Legislative Services

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