

# **TRPM-HB 1002-Police-Initiated Towing-Requirements-**

Uploaded by: Andrea Mansfield

Position: FAV



## Towing & Recovery Professionals of Maryland

P.O Box 905 \* Huntingtown, Maryland 20639

410-414-5406 \* 1-800-244-0102 \* Fax 410-414-5408

### MEMORANDUM

TO: The Honorable Kumar P. Barve, Chair and Members of the Environment and Transportation Committee

FROM: Jeffrey O. Hurley, Sr, President, Towing & Recovery Professionals of Maryland  
Ted Dent, 1<sup>st</sup> Vice President, Towing & Recovery Professionals of Maryland

DATE: March 2, 2023

RE: **HB 1002 Commercial Vehicles – Police-Initiated Towing – Alterations**

POSITION: **SUPPORT**

The Towing & Recovery Professionals of Maryland (TRPM) SUPPORT HB 1002. This bill establishes a Committee on Rate Setting and Complaint Resolution for Police-Initiated Towing to be overseen by the Department of State Police. The bill further requires the Committee to recommend maximum rates for police-initiated towing and recovery to the Department by December 1, 2023 and the Department to approve these rates by January 1, 2024. In addition to recommending rates for police-initiated towing and recovery, the Committee must review rates at least every three years, recommend a process for resolving towing complaints, and make any additional recommendations it considers appropriate. Most importantly, with the notification of approved maximum rates by the Department of State Police, HB 1002 will STRIKE from the statute language in 16A-101 that would require a tow company to release the vehicle to the owner or owner's authorized agent on payment of 20% of the invoice if a dispute exists over the invoice.

This bill represents a compromise by the following organizations – Towing & Recovery Professionals of Maryland, Maryland Motor Truck Association, and the Owner-Operator Independent Drivers Association. Returning Committee members may recall legislation last session on this topic, HB 487 (CH. 575, Acts of 2022). The parties agreed on several provisions in HB 487, but implementation of two very concerning pieces was delayed until October 1, 2023 and a letter was issued by the House and Senate committee chairs to establish an interim workgroup to make recommendations for consideration this session. This bill is the outcome of this interim workgroup and TRPM would like to sincerely thank the Delegates for working with us on this matter.

TRPM believes the Committee structure outlined in this bill will provide a process for establishing and reviewing maximum rates, resolving disputes, and addressing other matters of importance to the industry such as insurance liability matters.

For these reasons, TRPM SUPPORTS HB 1002 and urges a FAVORABLE Committee report.

**FINAL Police Initiated Towing hb 1002 testimony.pdf**

Uploaded by: Linda Foley

Position: FAV

Linda Foley  
*Legislative District 15*  
Montgomery County

Environment and Transportation  
Committee

The Maryland House of  
Delegates  
6 Bladen Street, Room 220  
Annapolis, Maryland 21401  
410-841-3052 • 301-858-3052  
800-492-7122 Ext. 3052  
Linda.Foley@house.state.md.us

## THE MARYLAND HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

I am Delegate Linda Foley, and I am presenting HB1002- Commercial Vehicles - Police-Initiated Towing – Alterations. For those of you who were here last year, this bill amends legislation passed by the General Assembly in 2022, which established requirements for police-initiated towing.

As part of an agreement last year, the chairs of the Environment and Transportation Committee and the Senate Judicial Proceedings Committee charged a work group to develop a rate-setting and dispute resolution process for towing charges generated by police-initiated tows.

It is important to note that this bill represents a compromise among affected parties—the towing companies and the truckers. It reflects many months of negotiations on issues left unresolved by last year’s bill. The 2022 bill expressly called for resolution of these issues by October 1, 2023.

HB 1002 provides consumer protections for motor carriers and truck drivers involved in tows dispatched by the Maryland State Police (MSP) by establishing a Committee on Rate Setting and Complaint Resolution for Police-Initiated Towing. The Committee would be overseen by the Department of State Police. The Committee would be composed equally of trucking and towing industry representatives, as well as government agencies, to make recommendations on or before December 1, 2023, on maximum allowable rates for police-initiated tows, which must be approved by the MSP by January 1, 2024.

The bill also requires the Committee to review these rates every three years, recommend a process for resolving towing complaints and make any additional recommendations, as appropriate. Additional details on how the bill amends last year’s legislation are contained in the testimony submitted by the affected parties.

Those delegates who were involved in last year’s legislation know that the issues addressed by this bill are contentious and complicated. All parties involved believe the committee structure outlined in HB 1002 will provide a fair and reasonable process for establishing maximum rates, resolving disputes, and addressing matters of importance to the industry, with minimal involvement of the State Police.

Page 2 of 2  
Del. Linda Foley Testimony on HB 1002  
March 2, 2023

I commend the parties affected by this bill for their willingness to work together to get to this point. I believe we have reached an agreement that represents good public policy with respect to police-initiated towing.

I ask for a favorable report. Thank you.

# **HB1002 - Maryland Motor Truck Association - Suppor**

Uploaded by: Louis Campion

Position: FAV



# Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045  
Phone: 410-644-4600 Fax: 410-644-2537



**HEARING DATE:** March 2, 2023

**BILL NO/TITLE:** House Bill 1002 – Commercial Vehicles – Police Initiated Towing - Alterations

**COMMITTEE:** House Environment and Transportation

**POSITION:** Support

Maryland Motor Truck Association offers its support for HB1002, which builds on legislation passed by the General Assembly in 2022 by altering some basic consumer protections for motor carriers and truck drivers that are involved in a tow dispatched by the Maryland State Police (MSP).

Based on a lack of protections for motor carriers when the state police dispatch a tower to an accident scene, the General Assembly passed Chapter 575 in 2022. That law:

As of October 1, 2022:

- Required towers to file their maximum rates for police-initiated tows when they apply for the MSP tow list.
- Mandated that the State Police establish a complaint/discipline process that includes potential suspension and expulsion of a tower from the tow list.
- Allowed vehicle owners to use the tower of their choice as long as the tower can arrive in 30 minutes or less, with some exclusions if it creates a safety risk.
- Prevented towers from exercising a lien on cargo if the cargo was owned by a 3<sup>rd</sup> party.

To allow for continued work on this issue, two key provisions of the new law do not become effective until October 1, 2023. Those provisions:

- Ban the use of “per pound billing” in Maryland on police-initiated tows.
- Require a tower to release the vehicle with payment of a 20% deposit of the amount billed if there is a dispute over the cost. The vehicle owner is still responsible for the remaining balance owed.

Under HB1002, the 20% deposit provision noted above would be vacated, so that towers could continue to exercise a lien on a vehicle for non-payment; however, the Maryland State Police would be required to establish and publish maximum allowable rates that may be charged. A workgroup would be established consisting equally of trucking and towing industry representatives, as well as government agencies, to make recommendations on maximum allowable rates for police-initiated tows, with final approval of the rates issued by the MSP.

MMTA believes this is a reasonable compromise that should provide some certainty to both tow companies and trucking companies. For that reason, we respectfully request a favorable report on HB1002.

**About Maryland Motor Truck Association:** Maryland Motor Truck Association is a non-profit trade association representing the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to supporting and advocating for a safe, efficient, and profitable trucking industry across all sectors and industry types, regardless of size, domicile, or type of operation.

**For further information, contact:** Louis Campion, (c) 443-623-4223

**HB 1002 APCIA Towing SUPPORT 03022023.pdf**

Uploaded by: Nancy Egan

Position: FAV



**Testimony of**  
**American Property Casualty Insurance Association (APCIA)**  
**House Environment & Transportation Committee**  
**House Bill 1002 – Commercial Vehicles – Police Initiated Towing - Alterations**  
**March 2, 2023**

**Support**

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. Our members write approximately 82.7% of all commercial auto insurance sold in Maryland. APCIA respectfully supports House Bill 1002.

Last year, the General Assembly passed House Bill 487 (Chapter 575) which went into effect as of October 1, 2022. It provided the following:

- Required towers to file their maximum rates for police-initiated tows when they apply for the MSP tow list.
- Mandated that the State Police (MSP) establish a complaint/discipline process that includes potential suspension and expulsion of a tower from the tow list.
- Allowed vehicle owners to use the tower of their choice as long as the tower can arrive in 30 minutes or less, with some exclusions if it creates a safety risk.
- Prevented towers from exercising a lien on cargo if the cargo was owned by a 3<sup>rd</sup> party.

To allow for continued work on this issue, two key provisions of the new law do not become effective until October 1, 2023. Those provisions:

- Ban the use of “per pound billing” in Maryland on police-initiated tows.
- Require a tower to release the vehicle with payment of a 20% deposit of the amount billed if there is a dispute over the cost. The vehicle owner is still responsible for the remaining balance owed.

During the interim, APCIA participated in a Workgroup after passage of House Bill 487/Senate Bill 613. The committees asked that the workgroup, to consider among several items the following:

- Number of towers on the Maryland State Police tow list,
- Parameters for establishing fair and reasonable per pound billing rates for police initiated towing services, and
- Adequacy of the charges.

This legislation is a result of that workgroup’s efforts. Under HB1002, the 20% deposit provision noted above would be vacated, so that towers could continue to exercise a lien on a vehicle for non-payment; however, the Maryland State Police would be required to establish and publish maximum allowable rates that may be charged. A workgroup would be established consisting equally of trucking and towing industry representatives, as well as government agencies, to make recommendations on maximum allowable rates for police-initiated tows, with final

approval of the rates issued by the MSP. This is a result of long negotiations and compromise between the trucking industry and the towing industry, and we fully support this legislation.

For all these reasons, the APCIA urges the Committee to provide a favorable report on House Bill 1002.

Nancy J. Egan,

State Government Relations Counsel, DC, DE, MD, VA, WV

[Nancy.egan@APCIA.org](mailto:Nancy.egan@APCIA.org) Cell: 443-841-4174

# **HB 1002 MSP Position Paper LOI.pdf**

Uploaded by: Kathy Anderson

Position: INFO



**State of Maryland**  
**Department of State Police**  
Government Affairs Section  
Annapolis Office (410) 260-6100

**POSITION ON PROPOSED LEGISLATION**

**DATE:** March 2, 2023

**BILL NUMBER:** House Bill 1002      **POSITION:** Letter of Information

**BILL TITLE:** Commercial Vehicles – Police – Initiated Towing - Alterations

**REVIEW AND ANALYSIS**

This legislation requires the Maryland Department of State Police (MDSP) to establish maximum towing rates for medium and heavy-duty towing and recovery that may be charged by a tow company for MDSP initiated towing and recovery calls for service. The bill authorizes the creation of a Committee on Rate Setting, to make recommendations to the MDSP for maximum rates and complaint process.

Under current law, the MDSP accepts applications from tow companies to be on the approved tow list for the MDSP. Each of the 23 barracks statewide maintain a list of approved tow companies for their region. The list includes tow companies that only tow cars and light weight vehicles as well as tow companies that tow heavy-duty trucks. The applications are accepted annually. The MDSP does have a complaint process for complaints made against tow companies, but the MDSP does not get involved in the rates charged by any tow company. MDSP provides regulatory control of many businesses such as security guard agencies, private detective agencies, and security system agencies. MDSP provides a complaint process for consumers who are not happy with any service provided by these businesses, but MDSP does not regulate their fees in any matter.

House Bill 1002 causes a number of problems for MDSP. Last year, legislation passed requiring the tow representatives and the commercial trucking industry to meet to resolve the cost of towing and recovery. This process did not go well because the two sides could not agree. This legislation puts MDSP in the middle of this dynamic. The bill creates a Committee on Rate Setting, but only gives the committee six months to recommend maximum rates to be charged by tow companies for their services and this rate is locked in for three years. The six month window does not consider that MDSP uses tow companies in all 24 jurisdictions. The rates will have to reflect that the cost of doing business in Allegany County is different than Talbot or Baltimore County. MDSP does not serve on the Committee but does provide staff.

The Committee only meets once every three years. With inflation out of control, fuel costs, and insurance costs rising, the rates set once every three years will negatively impact the towing companies. Unfortunately, House Bill 1002 regulates what a tow company can charge but does nothing to those persons who don't pay the bill. One of the complaints mentioned to MDSP was what to do when an insurance company refuses to pay for the services rendered.

**State of Maryland**  
**Department of State Police**  
Government Affairs Section  
Annapolis Office (410) 260-6100

**POSITION ON PROPOSED LEGISLATION**

MDSP has always operated under two categories: light vs heavy duty towing. MDSP operates using 10,001 GVWR as the determining factor for Heavy Duty calls. This bill allows commercial motor truck industry, not the tow companies or MDSP, to change our categories of towing.

In relation to the above categories, the definitions of “recovery” and “towing” are problematic. According to the new definition, every light duty tow would now be considered a “recovery”. Regarding the complaint process, MDSP has a complaint process already in place and it was revised in 2022. This legislation assumes MDSP can resolve billing disputes but does not provide an appeal process and only requires the tower to comply, not the consumer to pay. This legislation does not provide an enforcement mechanism for compliance.

House Bill 1002 places the entire burden of rate setting, tow services billing, and complaints on the MDSP. While MDSP does agree that the towing community needs regulating, law enforcement should not be involved in determining the cost of doing business.