

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 572

(Senator Muse, *et al.*)

Judicial Proceedings

Environmental Matters

Raymond Scott Brown II Vehicle Towing Act

This bill makes the current private parking lot towing protections for Baltimore City and Baltimore County applicable statewide and amends current towing notification requirements such that notice regarding a towed vehicle must be given to the appropriate police department before the towing. In addition, the bill requires that the notice of the towing include the towed vehicle's make and model.

Fiscal Summary

State Effect: General fund revenues may increase negligibly due to the application statewide of existing penalty provisions. District Court caseloads may increase minimally but can likely be handled with existing resources.

Local Effect: Local revenues may decrease in jurisdictions that currently have regulations regarding the towing of vehicles from private property, which may now be preempted from enforcing the regulations and collecting associated fines. Local towing and law enforcement personnel workloads and expenditures are affected in some jurisdictions to implement the bill. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Meaningful adverse impact on towing services due to numerous restrictions on existing business practices, new fee limits, statutorily established liability provisions, new insurance requirements, additional communication costs, and potentially the cost to acquire additional equipment. Potential meaningful adverse impact on parking lot owners and vehicle storage and impound lots.

Analysis

Current Law: The Maryland Vehicle Law currently applies to the towing or removal of vehicles from parking lots in Baltimore City and Baltimore County, and authorizes the Charles County Commissioners to adopt ordinances and regulations relating to the towing or removal of vehicles from privately owned parking lots in the county. The private parking lot towing provisions currently applicable to Baltimore City and Baltimore County include:

- required elements of the description given to police following a vehicle's towing;
- requirements for towing signage;
- a prohibition against the towing of a vehicle more than 10 miles from the parking lot from which it was removed;
- a cap on the total fees that may be charged, set at twice the amount normally charged by the relevant political subdivision;
- a cap of \$8 per day for storage of the vehicle, unless the storage is related to enforcement of a lien as governed by specific provisions of the Commercial Law Article;
- prior authorization of the parking lot owner;
- requirements for a tower to carry commercial liability insurance and a surety bond;
- prohibitions against using "spotters" to report unauthorized parked vehicles and payments from towers to parking lot owners;
- authorizations related to the reclaiming of the vehicle; and
- provisions establishing liability for actual and treble damages caused by anyone violating these restrictions.

Background: The Task Force to Study Motor Vehicle Towing Practices was created by Chapter 514 of 2008 and extended by Chapter 704 of 2009. The task force was charged with studying a number of towing issues, including State and local laws governing towing practices and issues related to notice given by a private property owner or a police department to the vehicle owner or other parties before towing the vehicle. The task force met 12 times between October 14, 2008, and December 8, 2009, and expired on December 31, 2009. The task force considered two main proposals: (1) creation of an independent tow licensure board; and (2) focusing on private nonconsensual towing, the creation of penalties (civil and criminal), consumer protection measures, and allowing towers a process to dispose of unclaimed vehicles.

Local Fiscal Effect: Local revenues may decrease in several jurisdictions statewide as local governments that currently regulate the towing of vehicles from private property may be preempted from enforcing similar regulations and collecting associated fines. Thus, revenues for some jurisdictions may decrease as certain local towing regulations

and associated penalties are replaced by similar State provisions and applicable penalties. For example, Montgomery County advises that the bill may preempt enforcement of an existing county towing law.

Local expenditures may decrease in jurisdictions that no longer decide to maintain towing enforcement staff at current levels. However, local government expenditures may increase in some jurisdictions that will need to hire additional towing enforcement personnel to implement the bill. Additionally, local law enforcement workloads may increase to handle the increase in phone calls or other communications with towers to the extent such communication is not current practice. Harford County advises that it is currently equipped to communicate with towers in the county and, therefore, expects no impact from the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Allegany, Harford, Montgomery, and Talbot counties; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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