

# HOUSE BILL 1488

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By: **Delegates Smigiel, McDermott, and Otto**  
Introduced and read first time: February 27, 2013  
Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Towing Companies – Disposal of Abandoned Vehicles**

3 FOR the purpose of authorizing the Motor Vehicle Administration to issue a salvage  
4 certificate to a towing company that takes possession of an abandoned vehicle  
5 under certain circumstances; requiring a towing company to provide certain  
6 notice in a certain manner to certain persons before applying for a salvage  
7 certificate for an abandoned vehicle; authorizing a towing company to apply for  
8 a salvage certificate on a certain form; requiring a certain application for a  
9 salvage certificate to be accompanied by certain documentation and a certain  
10 fee; altering the scope of certain provisions of law requiring a police department  
11 to provide certain notices under certain circumstances if an abandoned vehicle  
12 is taken into custody; providing for the application of certain provisions of this  
13 Act; altering a certain definition; and generally relating to the disposal of  
14 abandoned vehicles by towing companies.

15 BY repealing and reenacting, with amendments,  
16 Article – Transportation  
17 Section 11–152, 13–506, 25–204(a), and 25–205(b)  
18 Annotated Code of Maryland  
19 (2012 Replacement Volume)

20 BY repealing and reenacting, without amendments,  
21 Article – Transportation  
22 Section 25–201(a) through (c), 25–203, and 25–205(a)  
23 Annotated Code of Maryland  
24 (2012 Replacement Volume)

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

27 **Article – Transportation**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1 11–152.

2 (a) “Salvage” means any vehicle that:

3 (1) Has been damaged by collision, fire, flood, accident, trespass, or  
4 other occurrence to the extent that the cost to repair the vehicle for legal operation on  
5 a highway exceeds 75% of the fair market value of the vehicle prior to sustaining the  
6 damage, as determined under § 13–506(c)(4) of this article;

7 (2) Has been acquired by an insurance company as a result of a claim  
8 settlement; [or]

9 (3) Has been acquired by an automotive dismantler and recycler:

10 (i) As an abandoned vehicle, as defined under § 25–201 of this  
11 article; or

12 (ii) For rebuilding or for use as parts only; **OR**

13 **(4) CONSISTENT WITH § 13–506(D–1)(1) OF THIS ARTICLE, HAS**  
14 **BEEN TAKEN INTO POSSESSION BY A TOWING COMPANY AS AN ABANDONED**  
15 **VEHICLE, AS DEFINED IN § 25–201 OF THIS ARTICLE.**

16 (b) For purposes of this section, a vehicle has not been acquired by an  
17 insurance company if an owner retains possession of the vehicle upon settlement of a  
18 claim concerning the vehicle by the insurance company.

19 13–506.

20 (a) (1) A salvage certificate shall be issued in accordance with the  
21 provisions of this section.

22 (2) A salvage certificate issued under this section shall:

23 (i) Be issued in the name of the applicant; and

24 (ii) Serve as an ownership document.

25 (a–1) For purposes of this section, a vehicle has not been acquired by an  
26 insurance company if an owner retains possession of the vehicle upon settlement of a  
27 claim concerning the vehicle by the insurance company in accordance with § 13–506.1  
28 of this subtitle.

29 (b) The Administration shall issue a salvage certificate:

- 1           (1) To an insurance company or its authorized agent that:
- 2                   (i) Is licensed to insure automobiles in this State;
- 3                   (ii) Acquires a vehicle as the result of a claim settlement; and
- 4                   (iii) Within 10 days after the date of settlement, applies for a  
5 salvage certificate as provided in subsection (c) of this section;
- 6           (2) To an automotive dismantler and recycler that:
- 7                   (i) Acquires a salvage vehicle from a source other than an  
8 insurance company licensed to insure automobiles in this State;
- 9                   (ii) Acquires a salvage vehicle by a means other than a transfer  
10 of a salvage certificate; and
- 11                  (iii) Applies for a salvage certificate as provided in subsection (d)  
12 of this section; [or]
- 13           (3) **TO A TOWING COMPANY THAT:**
- 14                   **(I) TAKES POSSESSION OF AN ABANDONED VEHICLE;**
- 15                   **(II) PROVIDES THE OWNER AND ANY SECURED PARTY WITH**  
16 **11 WORKING DAYS AFTER THE DATE THAT NOTICE OF POSSESSION IS GIVEN TO**  
17 **RECOVER THE ABANDONED VEHICLE; AND**
- 18                   **(III) APPLIES FOR A SALVAGE CERTIFICATE AS PROVIDED IN**  
19 **SUBSECTION (D-1) OF THIS SECTION; OR**
- 20           (4) To any other person who:
- 21                   (i) Acquires or retains ownership of a vehicle that is salvage, as  
22 defined in § 11-152 of this article;
- 23                   (ii) Applies for a salvage certificate on a form provided by the  
24 Administration; and
- 25                   (iii) Pays a fee established by the Administration.
- 26           (c) (1) For each vehicle that is acquired as a result of a claim settlement  
27 arising from an accident that occurred in the State, an insurance company or its  
28 authorized agent shall apply:

1 (i) For a salvage certificate on a form provided by the  
2 Administration for a vehicle titled in the State; or

3 (ii) Electronically for a salvage certificate for a vehicle titled in a  
4 foreign jurisdiction.

5 (2) The application under paragraph (1) of this subsection shall be  
6 accompanied by:

7 (i) The certificate of title of the vehicle or, if the certificate of  
8 title is defective, lost, or destroyed, an affidavit of ownership on a form and in a  
9 manner prescribed by the Administration and a copy of the settlement check or other  
10 evidence of final payment;

11 (ii) A statement by the insurance company that:

12 1. The cost to repair the vehicle for highway operation is  
13 greater than 75% of the fair market value of the vehicle prior to sustaining the  
14 damage for which the claim was paid and the vehicle is repairable;

15 2. The vehicle is not rebuildable, will be used for parts  
16 only, and is not to be retitled;

17 3. The vehicle has been stolen;

18 4. The vehicle has sustained flood damage; or

19 5. The vehicle has been acquired by an insurance  
20 company as a result of a claim settlement and the cost to repair the vehicle is 75% or  
21 less of the fair market value of the vehicle prior to sustaining the damage for which  
22 the claim was paid; and

23 (iii) A fee established by the Administration.

24 (3) Subject to the provisions of § 13–507(c)(2) of this subtitle, a salvage  
25 certificate issued under this paragraph shall contain a conspicuous notation by the  
26 Administration that describes which of the statements under paragraph (2)(ii) of this  
27 subsection applies to the vehicle.

28 (4) To determine the cost to repair a vehicle for highway operation for  
29 purposes of § 11–152 of this article and paragraph (2)(ii) of this subsection, a person  
30 may not use the cost of:

31 (i) Towing, storage, or vehicle rental; or

32 (ii) Repairing cosmetic damage.

1           (5) The calculation under the 75% cost of repair threshold under  
2 paragraph (2) of this subsection may not affect the right of an insurer or a vehicle  
3 owner to make an economic or safety related decision to not repair the vehicle.

4           (6) The Administration, in consultation with the Department of State  
5 Police and other interested parties, shall adopt regulations to implement this  
6 subsection.

7           (d) (1) An automotive dismantler and recycler may apply for a salvage  
8 certificate on a form provided by the Administration.

9           (2) The application under paragraph (1) of this subsection shall be  
10 accompanied by:

11                   (i) The document through which ownership of the vehicle was  
12 acquired; and

13                   (ii) A fee established by the Administration.

14           **(D-1) (1) THIS SUBSECTION APPLIES ONLY TO:**

15                   **(I) THE TOWING, RECOVERY, OR STORAGE OF A VEHICLE**  
16 **ON BEHALF OF A POLICE DEPARTMENT OR A GARAGE KEEPER; AND**

17                   **(II) A TOWING COMPANY THAT USES ONLY TOW TRUCKS**  
18 **REGISTERED UNDER § 13-920 OF THIS TITLE.**

19           **(2) BEFORE APPLYING FOR A SALVAGE CERTIFICATE FOR AN**  
20 **ABANDONED VEHICLE UNDER THIS SUBSECTION, A TOWING COMPANY SHALL**  
21 **SEND A NOTICE, BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, BEARING A**  
22 **POSTMARK FROM THE UNITED STATES POSTAL SERVICE, TO:**

23                   **(I) THE LAST KNOWN REGISTERED OWNER OF THE**  
24 **ABANDONED VEHICLE; AND**

25                   **(II) EACH SECURED PARTY, AS SHOWN ON THE RECORDS OF**  
26 **THE ADMINISTRATION.**

27           **(3) THE NOTICE SHALL:**

28                   **(I) STATE THAT THE ABANDONED VEHICLE HAS BEEN**  
29 **TAKEN INTO THE POSSESSION OF THE TOWING COMPANY;**

30                   **(II) DESCRIBE THE YEAR, MAKE, MODEL, AND VEHICLE**  
31 **IDENTIFICATION NUMBER OF THE ABANDONED VEHICLE;**

1                   **(III) GIVE THE LOCATION OF THE FACILITY WHERE THE**  
2 **ABANDONED VEHICLE IS HELD;**

3                   **(IV) INFORM THE OWNER AND SECURED PARTY OF THE**  
4 **OWNER'S AND SECURED PARTY'S RIGHT TO RECLAIM THE ABANDONED VEHICLE**  
5 **WITHIN 11 WORKING DAYS AFTER THE DATE OF THE NOTICE, ON PAYMENT OF**  
6 **ALL TOWING, RECOVERY, AND STORAGE CHARGES APPLICABLE TO THE**  
7 **ABANDONED VEHICLE OWED TO THE TOWING COMPANY; AND**

8                   **(V) STATE THAT THE FAILURE OF THE OWNER OR SECURED**  
9 **PARTY TO EXERCISE THIS RIGHT IN THE TIME PROVIDED IS A WAIVER BY THE**  
10 **OWNER OR SECURED PARTY OF ALL OF THE OWNER'S OR SECURED PARTY'S**  
11 **RIGHTS, TITLE, AND INTEREST IN THE ABANDONED VEHICLE.**

12                   **(4) A TOWING COMPANY MAY APPLY FOR A SALVAGE**  
13 **CERTIFICATE ON A FORM PROVIDED BY THE ADMINISTRATION.**

14                   **(5) THE APPLICATION SHALL BE ACCOMPANIED BY:**

15                   **(I) COPIES OF ALL DOCUMENTATION OF NOTICE PROVIDED**  
16 **UNDER THIS SUBSECTION; AND**

17                   **(II) A FEE ESTABLISHED BY THE ADMINISTRATION.**

18           (e)     The Administration shall maintain records to indicate that a vehicle:

19                   (1)     Was transferred as salvage; and

20                   (2)     May not be titled or registered for operation in this State except in  
21 accordance with §§ 13-506.1 and 13-507 of this subtitle.

22           (f)     The Administration shall establish a fee for:

23                   (1)     A duplicate salvage certificate; and

24                   (2)     A corrected salvage certificate.

25     25-201.

26           (a)     In this subtitle the following words have the meanings indicated.

27           (b)     “Abandoned vehicle” means any motor vehicle, trailer, or semitrailer:

- 1                   (1)    That is inoperable and left unattended on public property for more  
2 than 48 hours;
- 3                   (2)    That has remained illegally on public property for more than 48  
4 hours;
- 5                   (3)    That has remained on private property for more than 48 hours  
6 without the consent of the owner or person in control of the property;
- 7                   (4)    That has remained in a garage for more than 10 days after the  
8 garage keeper has given the owner of the vehicle notice by certified mail, return  
9 receipt requested, bearing a postmark from the United States Postal Service, to  
10 remove the vehicle;
- 11                  (5)    That has remained in a garage for more than 10 days after the  
12 period when, by contract, the vehicle was to remain in the garage;
- 13                  (6)    That was left for more than 10 days in a garage by:
- 14                           (i)    Someone other than its registered owner; or
- 15                           (ii)   A person authorized to have possession of the vehicle under  
16 a contract of use, service, storage, or repair;
- 17                  (7)    That has remained on public property for more than 48 hours and:
- 18                           (i)    Is not displaying currently valid registration plates; or
- 19                           (ii)   Is displaying registration plates of another vehicle;
- 20                  (8)    That has been left unattended on any portion of a “controlled  
21 access highway” as defined in § 8–101(f) of this article for more than 24 hours;
- 22                  (9)    That has been left unattended on any portion of a primary or  
23 secondary highway or controlled access highway, as defined in § 8–101 of this article,  
24 and is in violation of any of the provisions of § 22–408 of this article; or
- 25                  (10)   That is not reclaimed as provided under § 27–111 of this article.
- 26                  (c)    “Garage” means any of the following, if operated for commercial purposes:
- 27                           (1)    A parking place or establishment;
- 28                           (2)    A vehicle storage facility; or
- 29                           (3)    An establishment for the servicing, repair, or maintenance of  
30 vehicles.

1 25–203.

2 (a) A police department may take any abandoned vehicle into custody. For  
3 this purpose, the police department may use its own personnel, equipment, and  
4 facilities or, subject to the provisions of subsection (b) of this section, use other  
5 persons, equipment, and facilities for removing, preserving, and storing abandoned  
6 vehicles.

7 (b) A police department may not authorize the use of a tow truck under  
8 subsection (a) of this section unless the tow truck is registered under § 13–920 of this  
9 article.

10 25–204.

11 (a) As soon as reasonably possible and within 7 days at most after it takes an  
12 abandoned vehicle into [custody] **THE POSSESSION OF THE POLICE DEPARTMENT**,  
13 a police department shall send a notice, by certified mail, return receipt requested,  
14 bearing a postmark from the United States Postal Service, to:

15 (1) The last known registered owner of the vehicle; and

16 (2) Each secured party, as shown on the records of the Administration.

17 25–205.

18 (a) This section applies if:

19 (1) The identity of the last registered owner of an abandoned vehicle  
20 cannot be determined;

21 (2) The registration of the vehicle gives no address for the owner;

22 (3) It is impossible to determine with reasonable certainty the identity  
23 and address of each secured party; or

24 (4) The certified mail notice required by § 25–204 of this subtitle is  
25 returned as undeliverable.

26 (b) Under one of the conditions described in subsection (a) of this section, a  
27 police department that takes an abandoned vehicle into [custody] **THE POSSESSION**  
28 **OF THE POLICE DEPARTMENT** shall give the required notice by posting a notice  
29 complying with the provisions of subsection (c) of this section in the circuit court of the  
30 county where the abandoned vehicle was found.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2013.