

# **TRPM-SB 927-Police-Initiated Towing-Requirements-S**

Uploaded by: Andrea Mansfield

Position: FAV



## Towing & Recovery Professionals of Maryland

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### MEMORANDUM

TO: The Honorable William C. Smith, Jr., Chair and Members of the Judicial Proceedings 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 21, 2023

RE: **SB 927 Commercial Vehicles – Police-Initiated Towing – Alterations**

POSITION: **SUPPORT**

The Towing & Recovery Professionals of Maryland (TRPM) SUPPORT SB 927. 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, SB 927 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 were 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 Senators and staff 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. TRPM is aware of the Department of Maryland State Police seeking an amendment to allow for an exception to the tow rates established for any jurisdiction in which the Department has an MOU in place. Although allowing for this is not a concern, TRPM believes the amendment is not necessary as this can be a consideration of the Committee when discussing rates and addressed as part of the Committee's recommendations.

For these reasons, TRPM SUPPORTS SB 927 as introduced and urges a FAVORABLE Committee report.

# **SB927 - Maryland Motor Truck Association - Support**

Uploaded by: Louis Campion

Position: FAV



# Maryland Motor Truck Association

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**HEARING DATE:** March 21, 2023

**BILL NO/TITLE:** Senate Bill 927 – Commercial Vehicles – Police Initiated Towing - Alterations

**COMMITTEE:** Senate Judicial Proceedings

**POSITION:** Support

Maryland Motor Truck Association offers its support for SB927, 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 SB927, 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 SB927.

**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

**SB 927 APCIA Towing SUPPORT 032123.pdf**

Uploaded by: Nancy Egan

Position: FAV

**Testimony of**

**American Property Casualty Insurance Association (APCIA)**

**Senate Judicial Proceedings Committee**

**Senate Bill 927 – Commercial Vehicles – Police Initiated Towing - Alterations**

**March 21, 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 Senate Bill 927.

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 SB 927, 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 Senate Bill 927.

Nancy J. Egan,

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

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**SB 927 MSP Position Paper.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 21, 2023

**BILL NUMBER:** Senate Bill 927      **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.

Senate Bill 927 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 legislation does not provide any guidance should the members of the Committee disagree on the rates or if no recommendations are made by December 1. The legislation does not consider the rates will have to reflect that the cost of doing business in Allegany County is different than Talbot or Baltimore County.

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. 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 of towing: 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 the categories of towing.

This legislation also assumes MDSP can resolve billing disputes but does not provide an appeal process for either side of the dispute and only requires the tower to comply, not the consumer to pay. Additionally, there is no authority offered to bring enforcement or compliance.

Senate Bill 927 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.