



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.

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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.