

CANDACE McLAREN LANHAM
Chief Deputy Attorney General

CAROLYN A. QUATTROCKI
Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CHRISTIAN E. BARRERA
Chief Operating Officer

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

PETER V. BERNS
General Counsel



ANTHONY G. BROWN
Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

WILLIAM D. GRUHN
Chief
Consumer Protection Division

Writer's Direct Dial No.

410-576-7942
kstraughn@oag.state.md.us
Fax: 410-576-7040

March 5, 2024

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 107 – Commercial Law – Statutory Liens – Motor Vehicles Towed or
Removed from Parking Lots (CONCERN)

The Consumer Protection Division of the Office of the Attorney General has concerns regarding Senate Bill 107 introduced by Senator Mary-Dulany James. This bill provides for an automatic lien on a motor vehicle towed from a privately owned parking lot for the charges incurred for towing, recovery, storage and notice and is intended to apply retroactively. Although the Division appreciates the sponsors' concern about towing companies having difficulty in some situations with cars not being claimed by their owners, we believe the bill could harm consumers and, in the large majority of cases, would be unnecessary.

When a vehicle is towed from a private lot, there are charges incurred which are usually paid by the individual who owns the vehicle in order to recover it. Sometimes, however, the vehicle is towed because it has been abandoned, leaving no one to pay the costs, or the owner may have difficulty paying the fees. In some cases, the owner of the vehicle may have a dispute concerning the basis for towing the vehicle in the first place. Generally, in these cases, a lien may be filed with the courts, to serve as notice that the towing company may have a claim against the individual's assets. This bill would allow a towing company to bypass the normal process of obtaining a lien, and would make the lien automatic, only being discharged when all fees are paid. The lien becomes a public record, which could be detrimental to individual owners who are taking the necessary steps to pay the bill in a timely manner. Moreover, under §25-206 of the

Transportation Article, if an owner or secured party fails to reclaim an abandoned vehicle within 3 weeks after notice is given, the responsible party is deemed to have waived all of their rights, title, and interest in the vehicle and to have consented to the sale of the vehicle at public auction. Therefore, no automatic lien is necessary.

Finally, the Division is concerned that the retroactive aspect of the bill could impact individuals without providing notice that their towed vehicle is subject to a lien. Further, the Division is concerned that the bill would undermine pending litigation before the Courts have had a chance to address consumers' claims. The Division has been engaged in discussions with SB 107's proponents about our concerns and we understand the proponents have agreed to remove the retroactivity provision. Discussions are continuing about the Division's concerns that meaningful notice needs to be provided to the consumer before a lien attaches. Accordingly, the Consumer Protection Division wanted to make the Judicial Proceedings Committee aware of our concerns.

cc: The Honorable Mary-Dulany James
Members, Judicial Proceedings Committee