



## Senate Bill 107

**Committee: Judicial Proceedings Committee**

**Date: March 5, 2024**

**Position: Favorable**

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In conjunction with Title 21, Subtitle 10A of the Maryland Transportation Article, Senate Bill 107 (SB 107) codifies into state law a longstanding industry practice where the owner of a lawfully towed vehicle from a private parking lot must pay certain tow-related charges before the owner may reclaim their vehicle.

Modeled after Prince George's County's law, SB 107 also establishes a possessory lien in favor of the tower until the vehicle owner pays the aforementioned tow-related charges. See *Prince George's County Code, Division 10, Sec. 26-142.11*. Once paid, the lien will be extinguished, and the owner will retain possession of their vehicle. As a result, SB 107 will ensure that law-abiding Maryland tow businesses are protected from exploitive lawsuits that arise from this inadvertent gap in the Maryland Transportation Article.

The Maryland General Assembly has established strict requirements for parking lot signage, including laws that regulate the size, location, and specific information that the signs must include to inform drivers of the potential for towing. See *MD Code, Transportation, § 21-10A-02(b-c)*. To be clear, the driver of any lawfully towed vehicle in Maryland must have received open and conspicuous notice through regulated signage that an improperly parked vehicle will be towed from the parking lot. In turn, SB 107 simply requires the operator of the vehicle, who has received ample notice from mandated signs placed at the parking lot, to pay certain charges prior to reclaiming the vehicle.

In addition to codifying existing practice, SB 107 specifically limits the types of charges that a tower may assess for towing a vehicle and includes a retroactive provision to ensure that Maryland tow businesses who have acted in accordance with this longstanding industry practice are protected from exploitive lawsuits. Therefore, these common sense provisions will simultaneously ensure an appropriate level of consumer protection and protect law abiding tow businesses that provide critical services to private parking lot owners.

We are aware of the following amendment that will be offered to resolve concerns from the Maryland Banking Association, and we respectfully request that the Committee adopt the amendment and provide SB 107 with a favorable report.

### **Amendment**

On page 2, after line 13, insert:

“(4) A LIEN CREATED UNDER THIS SUBSECTION IS SUBORDINATE TO A SECURITY INTEREST THAT PREDATES THE CREATION OF THE LIEN.”.