

SB 578-Department of State Police-Police-Initiated

Uploaded by: Andrea Mansfield

Position: FAV



Towing & Recovery Professionals of Maryland

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MEMORANDUM

TO: The Honorable Will Smith, Chair and Members of the Judicial Proceedings Committee

FROM: Vince Flook, President, Towing & Recovery Professionals of Maryland
Will Cain, 1st Vice President, Towing & Recovery Professionals of Maryland

DATE: February 19, 2026

RE: **SB 578 Public Safety – Department of State Police – Police-Initiated Towing - Alterations**

POSITION: **SUPPORT**

The Towing Recovery Professionals of Maryland (TRPM) SUPPORT SB 578. This bill defines light-duty towing in statute and requires the Maryland Department of State Police (MDSP) to establish maximum rates for police-initiated light-duty towing and recovery similar to how MDSP establishes rates for medium and heavy-duty towing and recovery.

SB 578 is a consumer protection focused bill aimed to provide uniformity and reasonable guidance for the towing industry to follow with respect to the rates charged for police-initiated light-duty towing and recovery. It is the outcome of MDSP and TRPM collaboration on towing matters that come before MDSP.

As a result of conversations with MDSP and to examine and report on insurance matters, the sponsor is offering several amendments to clean up and clarify a few provisions in the bill. The amendments remove two dates from statute that are no longer relevant, change the name of the Committee on Rate Setting and Complaint Resolution for Police-Initiated Medium-Duty and Heavy-Duty Towing and Recovery to include Light-Duty, require the Committee to recommend light-duty tow rates, provide clarity for the setting of maximum rates for that purpose, and adds two responsibilities for the Committee to examine and report on during the interim. TRPM believes these changes provide the needed clarity to offer uniformity and guidance for police-initiated light-duty towing and recovery.

The two additional responsibilities for the Committee focus on insurance matters related to vehicles registered and insured out of state and costs associated with the cleanup of cargo and debris.

Although the Maryland Insurance Administration has issued Bulletin 16-25 to advise automobile liability insurers for the at-fault vehicle that they are responsible for the cost of 1) removing the vehicle accident debris, 2) removing the at-fault and not-at-fault vehicle from a roadway or from property adjacent to a roadway after an accident, and 3) towing the not-at-fault vehicle away from the scene of the accident; MIA's authority is limited to covering only vehicles registered in the State of Maryland. Towers are having issues with receiving payment through insurance companies for vehicles that are registered out of state.

Property and casualty liability insurance for vehicles with a gross vehicle weight rating of 10,001 or more pounds is governed by federal law and regulation. The minimum required coverage is \$750,000. This level of coverage may be sufficient in most situations if the vehicle, trailer, and cargo are all owned and insured by the same entity. Many times, the owner of the vehicle and the owner of the cargo are two different entities. If an accident occurs, the vehicle owner may have insurance to cover the property damage liability claims and for the removal of the vehicles, but coverage may not apply or be high

enough to cover the cost of damage and clean-up of the cargo that was being hauled. When this occurs, the towers are left with paying for the clean-up with no recourse to recoup the cost.

SB 578 is a good consumer protection bill. The amendments provide clarity and serve to examine important insurance matters to ensure towers are fairly compensated for the work they perform. They have been reviewed by the Maryland Insurance Administration, Maryland Motor Truck, and the American Property & State Casualty Insurance Association. All have responded they are fine with the amendments.

For these reasons, TRPM SUPPORTS SB 578 and urges a FAVORABLE Committee report with the Sponsor amendments.

Sb578

Uploaded by: Hannah Burriss

Position: FAV



February 18, 2026

Hon. William Smith and Members of the Committee
Committee on Judicial Proceedings
Maryland Senate

RE: NICB Support for S.B. 0578

Dear Chair Smith and Members of the Committee:

On behalf of the National Insurance Crime Bureau (NICB), I'm writing to express NICB's support for Senate Bill 0578. NICB is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Maryland. Working hand-in-hand with our member companies and Maryland state and local law enforcement, we help to detect, prevent, and deter insurance crimes.

Insurance fraud is not a victimless crime. A 2022 study placed total U.S. insurance fraud at \$308.6 billion. Fraudsters will exploit every avenue, forum, and opportunity to bilk consumers and their insurers to line their own pockets, which ultimately increases costs for everyone. Vehicle collisions can provide an opportunity for fraudsters to prey on victims that are often already under significant strain. In addition to dealing with any serious injuries that may result, victims must often report to law enforcement and file insurance claims. Handling ongoing medical issues; managing follow-up appointments with either medical professionals, insurance carriers, or law enforcement agencies; providing additional written material that may be required; and finding a reputable vehicle repair shop all pose significant burdens on victims as they deal with the after-effects of a collision.

This high-stress situation creates the perfect opportunity for predatory wrecking and towing companies to exploit accident victims. Some wreckers or towers often take advantage of confusion at the accident scene or even after the fact by grossly inflating invoices or falsely claiming various services were rendered at the scene. NICB has seen examples of towers charging accident victims exorbitant fees for towing and storage – sometimes as high as \$17,000 for a single routine vehicle tow and upwards of \$100,000 for a semi-truck tow. In some situations, predatory towers may hold a car hostage until the fee is paid or file lawsuits against the vehicle owner.

Senate Bill 0578 would help combat predatory towing by amending Maryland's towing regulations to expand the Department of State Police's authority to set and regulate rates for all police-initiated towing, not just medium or heavy-duty commercial vehicles. This would further strengthen Maryland's towing regulations, including the Department's authority to maintain a public list of approved towing companies and its formal process for handling complaints and removing companies that violate standards. These changes will better protect consumers by combating inflated billing and ensuring greater oversight of towing services. **Accordingly, NICB supports S.B. 0578 and urges passage of this bill.**

As always, please consider NICB a resource and partner in the fight against insurance crime. If you have any questions or need additional information, please contact me at hburriss@nicb.org or 847-707-2554.

Sincerely,

A handwritten signature in black ink, appearing to read "Hannah Burriss", is written over a light blue circular stamp.

Hannah Burriss
Director, Strategy, Policy and Government Affairs
National Insurance Crime Bureau

SB 578 2026 Sen James Sponsor Testimony.pdf

Uploaded by: Mary-Dulany James

Position: FWA

MARY-DULANY JAMES
Legislative District 34
Harford County



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Judicial Proceedings Committee
Executive Nominations Committee

Senate Chair
Joint Committee on
Children, Youth, and Families

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Mary-Dulany James
In Support of Senate Bill 578 - Public Safety - Department of State Police -
Police-Initiated Towing - Alterations
Senate Judicial Proceedings Committee
February 19, 2026

Mr. Chairman, Vice Chair, and Members of the Committee,

The Maryland Department of State Police (MDSP) currently sets maximum allowable rates for police-initiated medium- and heavy-duty towing and recovery. Senate Bill 578 will simply require MDSP to set the rates for light-duty towing and recovery as well.

I am also proposing a sponsor amendment with three specific aims. First, the sponsor amendment will set more concrete guidelines for light-duty towing and recovery rates by establishing that they cannot exceed 80% of the maximum rates for medium-duty towing and recovery. This will provide more clarity for approved towing companies and protect consumers from being charged unfair rates for light-duty tows.

Second, the sponsor amendment eliminates deadlines for establishing approved rates for medium- and heavy-duty towing, as that work has been accomplished, and acknowledges that the Committee on Rate Setting and Complaint Resolution for Medium-Duty and Heavy-Duty Towing and Recovery (“the Committee”) also has the responsibility to address light-duty towing.

The final component of the sponsor amendment adds additional responsibilities for the Committee.

The Maryland Insurance Administration has issued guidance to advise insurers that the at-fault vehicle’s insurance is responsible for covering the cost of

cleaning up cargo and debris after an accident. However, towing companies have faced challenges receiving payment and resolving insurance matters when the at-fault driver's insurance does not cover cleanup costs. They also face issues receiving payment when the vehicle is registered and insured out of state.

The sponsor amendment directs the Committee to examine and report on the two situations mentioned above and make recommendations to assist authorized towing companies in addressing them.

Stakeholders from the Towing and Recovery Professionals of Maryland, Maryland Transportation Authority Police, the State Highway Administration, and the Maryland Insurance Administration already serve on this committee, making it the ideal group to effectively develop solutions to these insurance issues.

In short, with the sponsor amendment, Senate Bill 578 will provide clarity to authorized towers, protect consumers, and require recommendations be provided so that towers are promptly paid, even in complex situations involving insufficient or out-of-state insurance.

Thank you for your consideration of Senate Bill 578 and I ask that the committee issue a favorable report with the sponsor amendment.

Respectfully,

A handwritten signature in black ink, reading "Mary-Dulany James". The signature is written in a cursive style with a long, sweeping underline.

Senator Mary-Dulany James

Harford County, Maryland

SB 578 Reprint with Sponsor Amendment.pdf

Uploaded by: Mary-Dulany James

Position: FWA

SENATE BILL 578

E4

6lr3125
CF HB 30

By: **Senator James**
Introduced and read first time: February 4, 2026
Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety – Department of State Police – Police-Initiated Towing –**
3 **Alterations**

4 FOR the purpose of altering certain provisions related to the rates the Department of State
5 Police sets for towing companies involved in certain police-initiated towing to
6 include the towing and recovery of certain vehicles; and generally relating to
7 police-initiated towing of motor vehicles.

8 BY repealing and reenacting, with amendments,
9 Article – Public Safety
10 Section 2–314 and 2–314.1
11 Annotated Code of Maryland
12 (2022 Replacement Volume and 2025 Supplement)

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

15 **Article – Public Safety**

16 2–314.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) “Approved rates” means the maximum rates approved by the
19 Department that apply to police-initiated towing and recovery services.

20 (3) “Authorized tow company” means a company providing towing and
21 recovery services at the request of the Department and designated on the tow list.

22 (4) “Heavy-duty towing” means towing and recovery of a vehicle including
23 trailers and semitrailers with a gross vehicle weight rating over 26,000 pounds.

2 REPRINT OF SENATE BILL 578 as amended by SB0578/223928/1 02/16/26 at 10:19 AM

1 (5) "LIGHT-DUTY TOWING" MEANS TOWING AND RECOVERY OF A
2 VEHICLE INCLUDING TRAILERS OR SEMITRAILERS WITH A GROSS VEHICLE WEIGHT
3 RATING OF 10,000 POUNDS OR LESS.

4 [(5)] (6) "Medium-duty towing" means towing and recovery of a vehicle
5 including trailers or semitrailers with a gross vehicle weight rating from over 10,000
6 pounds to 26,000 pounds.

7 [(6)] (7) "Per pound billing" means a method of calculating a fee for
8 towing and recovery services using a formula that considers the weight of the vehicle,
9 equipment, or cargo that is the subject of the towing and recovery and multiplies the weight
10 of the vehicle, equipment, or cargo by a monetary amount.

11 [(7)] (8) "Police-initiated towing" means the towing or recovery of a
12 [commercial] motor vehicle which was authorized, requested, or dispatched by the
13 Department.

14 [(8)] (9) "Recovery" means winching, hoisting, up-righting, removing, or
15 otherwise relocating a vehicle when the vehicle is found in a location, state, or position in
16 which it cannot be removed from the location, state, or position using only the vehicle's own
17 power, even if it were in complete operating condition.

18 [(9)] (10) "Tow list" means the list of towing businesses authorized by the
19 Department to perform police-initiated towing services of disabled or abandoned
20 commercial vehicles within the Department's jurisdiction.

21 [(10)] (11) "Towing" means using another vehicle to move or remove a
22 vehicle.

23 (b) The Department shall:

24 (1) establish and maintain a tow list, by county, of qualifying tow
25 companies for use by the Department in carrying out the duties of this subtitle; and

26 (2) make the tow list available to the public on request.

27 (c) The Department may adopt regulations to establish standards for tow
28 companies, including application procedures and minimum qualification requirements, and
29 must include on the list all qualifying tow companies.

30 (d) The Department shall:

31 (1) require a tow company that is on the tow list to ban the use of per pound
32 billing by October 1, 2023;

3 REPRINT OF SENATE BILL 578 as amended by SB0578/223928/1 02/16/26 at 10:19 AM

1 (2) establish the approved rates for **LIGHT-**, medium-, and heavy-duty
 2 towing and recovery that may be charged by a tow company on the tow list ~~by January 1,~~
 3 ~~2024~~; and

4 (3) develop a process to receive, investigate, and adjudicate complaints
 5 from a vehicle owner or operator or the owner's designee against an authorized tow
 6 company regarding the police-initiated towing of a commercial motor vehicle, including a
 7 process to suspend or remove an authorized tow company from the tow list.

8 (e) (1) An authorized tow company may charge less than but may not charge
 9 more than the approved rates authorized by the Department for a police-initiated towing
 10 and recovery.

11 (2) **THE APPROVED RATES FOR LIGHT-DUTY TOWING AND RECOVERY**
 12 **MAY NOT EXCEED A PERCENTAGE OF THE 80% OF THE MAXIMUM APPROVED RATES FOR MEDIUM-DUTY**
 13 **TOWING AND RECOVERY CHARGED BY A TOW COMPANY.**

14 (f) If a vehicle owner or the owner's designee requests the use of a specific towing
 15 company, the Department shall honor that request and allow the vehicle owner to engage
 16 the services of the requested towing company except when:

17 (1) the requested towing company cannot arrive at the location of the
 18 vehicle within a reasonable time period;

19 (2) a traffic safety problem exists and the requested towing company
 20 cannot arrive at the location within 30 minutes of a police employee's arrival at the location
 21 of the vehicle; or

22 (3) the vehicle is disabled in the roadway as a result of a collision or vehicle
 23 fire and the requested towing company cannot arrive within 30 minutes of a police
 24 employee's arrival at the location of the vehicle.

25 2-314.1.

26 (a) (1) In this section the following words have the meanings indicated.

27 (2) "Approved rates" has the meaning stated in § 2-314 of this subtitle.

28 (3) "Committee" means the Committee on Rate Setting and Complaint
 29 Resolution for Police-Initiated **LIGHT-DUTY**, Medium-Duty, and Heavy-Duty Towing and Recovery.

30 (4) "Police-initiated towing" has the meaning stated in § 2-314 of this
 31 subtitle.

32 (5) "Recovery" has the meaning stated in § 2-314 of this subtitle.

4 REPRINT OF SENATE BILL 578 as amended by SB0578/223928/1 02/16/26 at 10:19 AM

1 (b) There is a Committee on Rate Setting and Complaint Resolution for
 2 Police–Initiated **LIGHT–DUTY**, Medium–Duty, and Heavy–Duty Towing and Recovery.

3 (c) The Committee consists of the following members:

4 (1) two representatives of the Towing and Recovery Professionals of
 5 Maryland, appointed by the President of the Towing and Recovery Professionals of
 6 Maryland;

7 (2) a representative of the Maryland Motor Truck Association, appointed
 8 by the President of the Maryland Motor Truck Association;

9 (3) a representative of the Owner–Operator Independent Drivers
 10 Association, appointed by the President of the Owner–Operator Independent Drivers
 11 Association;

12 (4) a representative of the Maryland Transportation Authority Police,
 13 appointed by the Secretary of Transportation;

14 (5) a representative of the State Highway Administration, appointed by the
 15 Administrator of the State Highway Administration; and

16 (6) a representative of the Maryland Insurance Administration, appointed
 17 by the Insurance Commissioner.

18 (d) (1) A member of the Committee shall be appointed for a 3–year term.

19 (2) A member of the Committee may be reappointed at the end of the
 20 member’s term.

21 (e) The Department shall provide staff support for the Committee.

22 (f) A member of the Committee:

23 (1) may not receive compensation as a member of the Committee; but

24 (2) is entitled to reimbursement for expenses under the Standard State
 25 Travel Regulations, as provided in the State budget.

26 (g) The Committee shall:

27 (1) ~~on or before December 1, 2022,~~ recommend approved rates **FOR LIGHT–DUTY,**
 28 **MEDIUM–DUTY, AND HEAVY–DUTY TOWING AND RECOVERY** to the Department that
 29 should be charged for police–initiated towing and recovery services;

30 (2) meet at least once every 3 years to review and consider modification of
 31 the approved rates;

5 REPRINT OF SENATE BILL 578 as amended by SB0578/223928/1 02/16/26 at 10:19 AM

1 (3) request information and comments from other parties of interest to
2 assist with its work;

3 (4) recommend to the Department a process for resolving towing
4 complaints; ~~and~~

5 (5) EXAMINE AND REPORT ON INSURANCE MATTERS RELATED TO VEHICLES REGISTERED AND
INSURED OUT OF STATE;

(6) EXAMINE AND REPORT ON INSURANCE MATTERS RELATED TO COST AND
CLEANUP OF CARGO AND DEBRIS; AND

6 (7) make any additional recommendations to the Department that the
Committee considers appropriate.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2026.

SB 578 Sponsor Amendment.pdf

Uploaded by: Mary-Dulany James

Position: FWA



SB0578/223928/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

16 FEB 26
10:20:09

BY: Senator James
(To be offered in the Judicial Proceedings Committee)

AMENDMENT TO SENATE BILL 578
(First Reading File Bill)

On page 3, strike beginning with the second “by” in line 2 down through “2024” in line 3; in line 12, strike “A PERCENTAGE OF THE” and substitute “80% OF THE MAXIMUM”; in line 29, after “Police–Initiated” insert “LIGHT–DUTY,”; and in the same line, after “Medium–Duty” insert a comma.

On page 4, in line 2, after “Police–Initiated” insert “LIGHT–DUTY,”; in the same line, after “Medium–Duty” insert a comma; in line 27, strike “on or before December 1, 2023,”; in the same line, after “FOR” insert “LIGHT–DUTY,”; and in line 28, after “MEDIUM–DUTY” insert a comma.

On page 5, in line 4, strike “and”; in line 5, after “(5)” insert “EXAMINE AND REPORT ON INSURANCE MATTERS RELATED TO VEHICLES REGISTERED AND INSURED OUT OF STATE;”

(6) EXAMINE AND REPORT ON INSURANCE MATTERS RELATED TO COST AND CLEANUP OF CARGO AND DEBRIS; AND

(7)”.

MSP Position on SB0578.pdf

Uploaded by: Breanna Mowbray

Position: INFO



State of Maryland
Department of State Police
Government Affairs Unit
Annapolis Office (410) 260-6100

POSITION ON PROPOSED LEGISLATION

DATE: February 19, 2026

BILL NUMBER: Senate Bill 578 **POSITION:** Letter of Information

BILL TITLE: Public Safety – Department of State Police – Police-Initiated Towing-
Alterations

REVIEW AND ANALYSIS

This legislation seeks to establish a definition for light-duty towing and recovery of vehicles and requires the Department of State Police (DSP) to set towing rates for light-duty towing and recovery for state police-initiated tows in every county of the state. The Department would not be required to use the current Committee on Rate Setting and Complaint Resolution for Police-Initiated Medium and Heavy-Duty Towing and Recovery.

Under current law, the Committee is required to establish towing and recovery rate recommendations to the Superintendent of the Department only for medium and heavy-duty vehicles. Once adopted, all medium- and heavy-duty tow-and-recovery requests by the Department would be subject to the pricing schedule. While the Department staffs and advises the committee, we are not solely responsible for establishing the rates.

Senate Bill 578 creates a new requirement for the Department to establish rates for police-initiated light-duty tows, including vehicles and trailers weighing less than 10,000 lbs. As currently written, the bill requires the Department, on its own initiative, to set and enforce maximum towing rates and to ensure that light-duty towing rates are capped at a statutory percentage of medium-duty rates. As defined, these requirements present a problem for the two companies and the Department.

The DSP has been in conversations with industry representatives regarding proposed amendments. These amendments require the Committee to establish the towing and recovery rates for light-duty vehicles in consultation with the DSP, as well as set a reasonable percentage in statute of towing and recovery costs for light-duty vehicles versus medium-duty vehicles. As currently written, the bill presents several challenges for the DSP and the towing and recovery industry. The amendments to SB 578 presented to DSP for review would resolve those issues.

For these reasons, the Department of State Police respectfully requests that the Committee consider this letter of information when deliberating on Senate Bill 578.