

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 143 (Calvert County Delegation)
Commerce and Government Matters

Calvert County - Motor Vehicle Towing Companies - Licensing Authority

This bill authorizes the Calvert County Commissioners to establish, by ordinance, licensing requirements and enforcement standards for towing companies that receive compensation for their services. The ordinance must require that a person who is licensed to tow vehicles provide storage facilities for disabled vehicles and tow vehicles of the county's residents to storage facilities in the county, unless otherwise consented to by the resident.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County revenues could increase by an indeterminate minimal amount. The county could issue the licenses and enforce the licensing standards with existing resources.

Small Business Effect: Potential meaningful effect on small businesses as discussed below.

Fiscal Analysis

Local Revenues: If Calvert County establishes licensing requirements for towing companies, revenues could increase depending upon the amount of the license fee. Currently, there are 11 towing companies (including body and fender shops) in the county. Although the impact cannot be determined beforehand, it is assumed to be minimal.

Small Business Effect: If the Calvert County Commissioners establish licensing requirements and enforcement standards, 11 towing companies (including body and fender shops) would be impacted. However, the number of such companies that are small businesses (50 or fewer employees) is unknown. In any event, towing companies would experience an increase in costs from the license fee. Under the bill, licensed towing companies must provide storage facilities in the county. As a result, towing companies without storage facilities in the county would have to construct or purchase such a facility in order to be licensed. In addition, their operations could be impacted by the requirement that they must tow a county resident's vehicle to a storage facility in the county. This requirement could increase their operating costs depending upon the number of additional miles driven by towing vehicles.

Information Source(s): Calvert County, Department of Fiscal Services

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