

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

Senate Bill 35

(Senator Ruben)

Judicial Proceedings

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**Vehicle Laws - Disposition of Abandoned Vehicles - Charitable Entities**

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This bill authorizes a police department that takes possession of an abandoned vehicle to offer qualified nonprofit organizations the opportunity to buy the abandoned vehicle before the vehicle is sold at public action. The bill also allows abandoned vehicles retained for public purpose to be sold to qualified entities when the vehicle is no longer usable for public purposes. If there is a secured party with an interest in the vehicle (as shown on the Motor Vehicle Administration's records), the bill prohibits the police department from offering the vehicle without the party's written consent.

The bill defines a qualified organization as one that: (1) is tax exempt under the federal tax code; (2) is funded to provide transportation to elderly, handicapped, or low-income individuals, actively operates such a system, and has stated in its charter or bylaws that operating such services is one of the purposes for which it was established; and (3) receives part of its operating funds from the Maryland Departments of Transportation or Health and Mental Hygiene.

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**Fiscal Summary**

**State Effect:** The bill would not substantively change State activities or finances.

**Local Effect:** Potential increase in expenditures to comply with the bill.

**Small Business Effect:** Minimal or none.

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## Analysis

**Current Law:** A police department may retain and use an abandoned vehicle for public purposes after satisfying the requirements for obtaining a certificate of title without any further notice to or consent of the owner. However, if there is a secured party with an interest in the vehicle, the police department cannot retain the vehicle without the secured party's written consent. A vehicle retained for public purpose may be dismantled or disassembled for the purpose of using its component parts. When the vehicle is no longer usable, the police department can sell the vehicle at public auction or transfer it to a scrap processor.

Charitable organizations exempt from federal income tax under 501©(3) of the Internal Revenue Code include corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition.

**State Fiscal Effect:** The Department of State Police and the Maryland Transit Administration advise that they do not sell or auction abandoned vehicles, though both agencies are authorized to confiscate vehicles. The Maryland Transportation Authority expects any fiscal impact to be minimal.

**Local Fiscal Effect:** Garrett, Dorchester, and Prince George's counties advise that the bill would have no significant impact. Montgomery County estimates that the bill would cost \$122,180 annually to implement because the police department would require an additional abandoned vehicle specialist to administer the program and work with charitable agencies to arrange vehicle transfer.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Prince George's County, Garrett County, Dorchester County, Montgomery County, Department of State Police, Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - January 22, 2002  
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