

SENATE BILL 13

Unofficial Copy
R4
SB 35/02 - JPR

2003 Regular Session
3lr0292

By: **Senator Ruben**

Introduced and read first time: January 10, 2003

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of authorizing a police department that takes possession of an
4 abandoned vehicle to offer a certain charitable entity that meets certain
5 requirements the opportunity to buy the abandoned vehicle before the vehicle is
6 sold at public auction under certain circumstances; prohibiting a police
7 department from offering a certain charitable entity an opportunity to buy an
8 abandoned vehicle without the consent of certain secured parties; authorizing
9 an abandoned vehicle retained by a police department for public purposes to be
10 sold to certain charitable entities when no longer usable for public purposes;
11 defining a term; and generally relating to the disposition of abandoned vehicles
12 to charitable entities.

13 BY repealing and reenacting, with amendments,
14 Article - Transportation
15 Section 25-207
16 Annotated Code of Maryland
17 (2002 Replacement Volume)

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

20 **Article - Transportation**

21 25-207.

22 (a) Except as provided in subsection (e) of this section, if an abandoned vehicle
23 is not reclaimed as provided for in this subtitle, the police department shall sell the
24 vehicle at public auction.

25 (b) The buyer of the vehicle at auction:

26 (1) Takes ownership of the vehicle free and clear of any claim of
27 ownership or lien of any other person;

1 (2) Is entitled to a sales receipt, on a form that is approved by the
2 Administration, from the police department;

3 (3) Is entitled to obtain a salvage certificate for the vehicle; and

4 (4) May obtain a certificate of title under § 13-507 of this article.

5 (c) The sales receipt, on a form that is approved by the Administration, is
6 sufficient title for transferring the vehicle to an automotive dismantler and recycler
7 or scrap processor for dismantling, destroying, or scrapping, in which case, a
8 certificate of title is not required.

9 (d) Except as otherwise provided in this subtitle:

10 (1) From the proceeds of the sale of an abandoned vehicle, the police
11 department shall reimburse itself for the costs of towing, preserving, and storing the
12 vehicle and the expenses of the auction, including all notice and publication costs
13 incurred under this subtitle; and

14 (2) Any remaining proceeds of the sale shall be held for 90 days for the
15 owner of the vehicle and any entitled secured party, after which the remaining
16 proceeds revert to:

17 (i) The treasury of the county in which the sale was made; or

18 (ii) In the case of a municipality that conducts the sale, the
19 treasury of the municipality.

20 (e) (1) IN THIS SUBSECTION, "QUALIFIED ORGANIZATION" MEANS AN
21 ENTITY THAT:

22 (I) IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE
23 INTERNAL REVENUE CODE;

24 (II) IS REGISTERED OR EXEMPT FROM REGISTRATION UNDER
25 TITLE 6 OF THE BUSINESS REGULATION ARTICLE;

26 (III) IS FUNDED TO PROVIDE TRANSPORTATION TO ELDERLY,
27 DISABLED, OR LOW INCOME INDIVIDUALS;

28 (IV) RECEIVES PART OF ITS OPERATING FUNDING FROM THE
29 MARYLAND DEPARTMENT OF TRANSPORTATION OR THE MARYLAND DEPARTMENT
30 OF HEALTH AND MENTAL HYGIENE;

31 (V) HAS STATED IN ITS CHARTER OR BYLAWS THAT OPERATING
32 TRANSPORTATION SERVICES FOR ELDERLY, DISABLED, OR LOW INCOME
33 INDIVIDUALS IS ONE OF THE PURPOSES FOR WHICH IT WAS ESTABLISHED; AND

34 (VI) IS ACTIVELY OPERATING A SYSTEM OF TRANSPORTATION FOR
35 ELDERLY, DISABLED, OR LOW INCOME INDIVIDUALS.

1 (2) After satisfying the requirements for obtaining a certificate of title
2 for an abandoned vehicle under § 25-207.1 of this subtitle, a police department may
3 retain and use the vehicle for public purposes OR OFFER A QUALIFIED ORGANIZATION
4 THE OPPORTUNITY TO BUY THE VEHICLE BEFORE PUBLIC AUCTION without any
5 further notice or consent of the owner other than a lessor as provided in paragraph
6 [(2)] (3) of this subsection.

7 [(2)] (3) (i) If there is a secured party with an interest in the vehicle
8 as shown on the records of the Administration, the police department may not retain
9 the vehicle for public purposes OR OFFER A QUALIFIED ORGANIZATION THE
10 OPPORTUNITY TO BUY THE VEHICLE without the written consent of the secured
11 party.

12 (ii) If the vehicle is owned by a lessor under a lease not intended as
13 security, the police department may not retain the vehicle for public purposes without
14 the written consent of the lessor.

15 (f) A vehicle retained for public purposes under subsection (e) of this section:

16 (1) May be dismantled or disassembled for the purpose of using its
17 component parts; and

18 (2) When no longer usable for public purposes, may at the discretion of
19 the police department, without further notice, be sold at public auction as provided in
20 this subtitle, SOLD TO A QUALIFIED ORGANIZATION AS DEFINED IN SUBSECTION
21 (E)(1) OF THIS SECTION, or transferred by the police department to a scrap processor
22 licensed under § 15-502 of this article.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
24 effect October 1, 2003.