

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 13 (Senator Ruben)
Judicial Proceedings

Vehicle Laws - Disposition of Abandoned Vehicles - Charitable Entities

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 auction. 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 either registered or exempt from registration as a business entity; (3) 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 (4) receives part of its operating funding from the Maryland Department of Transportation or the Maryland Department of Health and Mental Hygiene.

Fiscal Summary

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

Local Effect: It is expected that administrative requirements could be handled within existing resources.

Small Business Effect: Minimal or none.

Analysis

Current Law: If an abandoned vehicle is not reclaimed, unless the vehicle is retained for public purposes, the police department in possession of the vehicle must sell it at public auction. 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 may not retain the vehicle without the secured party's written consent. A vehicle retained for public purposes may be dismantled or disassembled for the purpose of using its component parts. When the vehicle is no longer usable, the police department may sell the vehicle at public auction or transfer it to a scrap processor.

Charitable organizations exempt from federal income tax under 501 (c)(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 does not sell or auction abandoned vehicles, though it is authorized to confiscate vehicles. There is not a fiscal impact on the Motor Vehicle Administration.

Local Fiscal Effect: Garrett, Dorchester, and Montgomery counties advise that the bill would not have a significant impact and any administrative requirements could be handled within existing resources.

Additional Information

Prior Introductions: This bill was introduced as SB 35 in the 2002 session. It received an unfavorable report from the Judicial Proceedings Committee.

Cross File: None.

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

Fiscal Note History: First Reader - January 17, 2003
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