

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1252
Economic Matters

(Delegate Jameson, *et al.*)

Judicial Proceedings

Commercial Law - Motor Vehicle Left on Private Property Without Consent -
Lien for Storage and Towing Charges

This bill provides that a person who, at the request of a property owner, removes a motor vehicle that has remained on the owner's private property without consent, has a lien for any storage or towing charges incurred if specified criteria are met. No lien arises or is created in connection with a motor vehicle subject to a security interest. A local law or ordinance regulating the towing or ordinance regulating the towing or impoundment of a motor vehicle does not affect a lien created under the bill; otherwise the bill does not alter or affect a local law or ordinance regulating the towing or ordinance regulating the towing or impoundment of a motor vehicle.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues from titling fees and titling tax from these sales would increase to the extent vehicles are sold and titled under the bill. The amount of revenues generated cannot be accurately estimated but could be significant. If a large number of lien requests are processed because of the bill, additional staffing resources may be required.

Local Effect: Local highway user revenues would increase to the extent vehicles are sold and pay titling tax under the bill. The amount of revenues generated cannot be accurately estimated but could be significant.

Small Business Effect: Minimal.

Analysis

Current Law: A person who, with the consent of the owner, has custody of a motor vehicle and who, at the request of the owner, provides a service to or materials for the vehicle, has a lien on the vehicle for any charge incurred for any: (1) repair or rebuilding; (2) storage; or (3) tires or other parts or accessories. The lien is created when charges for one of the services giving rise to the lien are incurred. The lien holder may retain possession of the motor vehicle until the charges are paid or the lien is otherwise discharged. Generally, the lien is subordinate to any security interest in the vehicle.

State Fiscal Effect: Currently, the Motor Vehicle Administration (MVA) processes approximately 4,000 lien requests annually. The total number of lien requests that the MVA would receive under the bill cannot be accurately estimated. After a lien request is approved, a vehicle subject to the lien may be – and frequently is – sold. Each vehicle sold would be subject to a \$23 titling fee and the 5% titling tax. The minimum amount for titling tax charged on a used vehicle is \$32. Revenues from the titling tax are divided between the TTF and local governments. TTF revenues from fees and titling tax from these sales would increase to the extent vehicles are sold and titled under the bill. If a large number of lien requests are processed because of the bill, additional staff resources may be required.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2005
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