

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 798 (Senator Green)
Judicial Proceedings

Vehicle Laws - Authority to Transfer Inoperative Vehicle Without Certificate of Title or Notification - Repeal

This bill repeals a provision allowing • a person who possesses or on whose property an abandoned vehicle is found; • a person who owns a vehicle for which the certificate of title is defective, lost, or destroyed; or • an agent designated and authorized by a government agency to remove an abandoned vehicle from public or private property: to transfer a vehicle that is more than eight years old and has no engine or is otherwise totally inoperable to an automotive dismantler and recycler or scrap processor without a certificate of title and without following specified notification procedures.

Fiscal Summary

State Effect: None. It is assumed the changes this bill makes could be handled with existing resources.

Local Effect: None. It is assumed the changes this bill makes could be handled with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: A person who possesses or who finds on their property an abandoned vehicle, or a person who owns a vehicle for which the certificate of title is defective, lost, or destroyed may apply to the police department for authority to transfer the vehicle to an automotive dismantler and recycler or scrap processor. If the police department finds that

the application shows either that the vehicle was abandoned on the applicant's property, or the applicant is the rightful owner of the vehicle, it must attempt to notify the registered owner and each secured party as shown on Motor Vehicle Administration (MVA) records by mail and alternatively by posting notice in the circuit court of the jurisdiction in which the vehicle was found. If the vehicle is not claimed within three weeks (11 days in Montgomery County or Baltimore City), the owner or secured party is deemed to have waived all rights, title, and interest in the vehicle and the police department must issue a certificate of authority to the applicant to transfer the vehicle to any automotive dismantler or recycler or scrap processor.

If an abandoned vehicle is more than eight years old and has no engine or is otherwise totally inoperable, it may be transferred, pursuant to the provision being repealed by this bill, to an automotive dismantler and recycler or scrap processor without a certificate of title and without complying with notification requirements. The automotive dismantler and recycler or scrap processor may require the person transferring the vehicle to execute an indemnity agreement which can be filed with the MVA.

Background: The provision this bill repeals was declared unconstitutional by a federal district court judge in 1998, in that it violated the Due Process Clause of the U.S. Constitution (*Associates Commercial Corp. v. Wood*, 22 F. Supp. 2d 502 (D. Md. 1998)).

Additional Information

Prior Introductions: SB 41 of 2000, a similar bill, received an unfavorable report by the Judicial Proceedings Committee.

Cross File: None.

Information Source(s): Department of State Police, Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2006
mam/ljm

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