

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 794 (Delegate Frush, *et al.*)
Environmental Matters

Vehicle Laws - Abandoned Vehicles - Notice

This bill requires a police department that takes an abandoned vehicle into custody to identify and attempt to contact, as specified, the last known owner, insurer, and secured party of the abandoned vehicle if the police department has not been contacted by the owner or insurer within 48 hours after the vehicle was taken into custody. As soon as reasonably possible and within seven days after taking custody of the vehicle, a second notice must be sent by certified mail to the last known owner, each secured party, and the last known insurer of the vehicle.

The bill expands the existing notice requirement to include notice to the insurer of the owner's and secured party's right to reclaim the vehicle within 11 working days after receipt of the notice. The bill adds a police department in Prince George's County to the jurisdictions that must provide this notice by certified mail.

The bill also allows the last known owner of the vehicle or a secured party to authorize another person or the insurer to secure the release of the vehicle.

Fiscal Summary

State Effect: None.

Local Effect: Any fiscal or operational effects would vary by jurisdiction. While the bill's requirements could be handled in some jurisdictions with existing resources, in others they could not. *This bill may impose a mandate on a unit of local government.*

Small Business Effect: None.

Analysis

Current Law: An abandoned vehicle means a vehicle left unattended 48 hours on private property, a vehicle illegally on public property, or a vehicle on private property without consent. It also includes any motor vehicle, trailer, or semi-trailer that has remained in a garage for more than 10 days, after the garage keeper has given the vehicle owner notice to remove the vehicle by certified mail, return receipt requested. An abandoned vehicle also includes one that has remained in a garage for more than 10 days beyond the time when, by contract, the vehicle was to remain in the garage. An abandoned vehicle is one that was left for more than 10 days in a garage by someone other than the registered owner or left by a person authorized to have possession of the vehicle under a contract.

A police department may take any abandoned vehicle into custody, using its own facilities, equipment, or personnel or contracting out for those services. However, the police department may not authorize the use of a tow truck to remove the abandoned vehicle unless it has been properly registered with the Motor Vehicle Administration.

As soon as possible and within seven days after taking an abandoned vehicle into custody, the police department must notify the last known registered owner and each secured party. The notice must provide the information specified in statute, including procedures for reclaiming the vehicle. The owner and secured party must be notified that failure to reclaim the vehicle within the specified time period constitutes a waiver of interest in ownership or right or title to the vehicle, and consent to public auction or use for a public purpose. In Baltimore City and Montgomery and Prince George's counties, failure to reclaim a vehicle could also result in the denial of any application to renew the registration of any vehicle.

If the identity and address of the registered owner and each secured party cannot be reliably determined, or the certified mail notice is undeliverable, the police department must post a notice in the circuit court of the county where the abandoned vehicle was found, within the time frames specified in statute.

Except as otherwise provided, if an abandoned vehicle is not reclaimed, the police department must sell the vehicle at public auction. The vehicle buyer takes free and clear title and is entitled to a salvage certificate and may obtain a certificate of title. If the vehicle is sold, the proceeds of the sale must be applied first to the garage keeper's charges for servicing, storage, or repair. The police department must reimburse itself for towing, preservation, and storage of the abandoned vehicle and auction expenses, including all notification and publication costs from sale proceeds. Any remaining proceeds must be held for 90 days for the owner and any entitled secured party. After 90

days, the remaining proceeds go to the county treasury where the sale was made or to the municipal treasury, if a municipality conducted the sale.

A police department may retain an abandoned vehicle and use it for a public purpose if it obtains a certificate of title, as required by law. The police department must obtain the written consent of any secured party or vehicle lessor before retaining a vehicle for a public purpose.

A garage keeper is required to report any abandoned vehicle in the garage to the police department. Any garage keeper who fails to report the vehicle within 10 days after abandonment forfeits any claim for servicing, storage, or repair of the vehicle. The police department may take the abandoned vehicle and sell it, as provided by law, unless the vehicle is reclaimed by the owner or secured party and the garage keeper is paid.

Local Fiscal Effect: This bill's fiscal impact is likely to vary by jurisdiction, and may depend on the current level of difficulty with abandoned vehicles. A limited survey of jurisdictions by Legislative Services reveals the following information:

- Montgomery County – No impact. The bill effectively codifies current practice.
- Worcester County – The bill's requirements could be handled with existing budgeted resources of the county sheriff's office.
- Prince George's County – The bill would require the hiring of two additional staff persons at an annual cost of about \$80,000 and would likely add annual certified mail costs of about \$200,000.
- Kent County – The bill's requirements could be handled with existing budgeted resources.
- Washington County – The bill would add a burdensome additional workload for the county sheriff's office.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Washington County, Montgomery County, Prince George's County, Kent County, Worcester County, Department of State Police, Maryland Insurance Administration, Maryland Department of Transportation (Motor Vehicle Administration), Department of Legislative Services

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ncs/jr

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