HOUSE BILL 1120

R7 0lr1915 CF SB 788

By: Delegate Niemann (Task Force to Study Motor Vehicle Towing Practices) and Delegates Beidle, Frush, Gaines, Glenn, Holmes, and Stukes

Introduced and read first time: February 17, 2010

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 28, 2010

CHAPTER

1 AN ACT concerning

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Motor Vehicles - Towing Practices and Procedures

FOR the purpose of establishing a motor vehicle towing and storage lien on a towed motor vehicle on behalf of the tower for certain towing and storage charges; prohibiting a motor vehicle towing and storage lienor from selling the motor vehicle to which the lien is attached under certain circumstances; providing that a motor vehicle towing and storage lienor may only sell a motor vehicle to which a lien is attached in a certain manner; requiring a motor vehicle towing and storage lienor to return certain motor vehicle registration plates to the Motor Vehicle Administration under certain circumstances; requiring the Motor Vehicle Administration to provide a receipt for the return of certain motor vehicle registration plates; establishing certain notice and publication requirements for the public sale of a towed vehicle; requiring the Administration to issue a salvage certificate to the purchaser of a vehicle subject to a motor vehicle towing and storage lien under certain circumstances; requiring certain motor vehicle towing and storage lienors to file a certain court action in a certain manner under certain circumstances; requiring the Motor Vehicle Administration to issue a certificate of title that contains a conspicuous "salvage" notation under certain circumstances; clarifying the application of certain security requirements for tow trucks; altering certain security requirements for tow trucks; altering certain penalties for certain violations related to tow truck vehicle registration; providing for the statewide application of certain provisions of law governing the towing or removal of vehicles from parking lots; altering the content required on certain signage related to the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

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towing and storage of vehicles; altering the maximum distance that and locations to which a vehicle towed from a parking lot may be transported for storage, subject to a certain exception; altering certain maximum amounts that a person may charge for towing and storing a vehicle under certain circumstances; authorizing a tower to charge certain persons for the actual costs of providing certain notice; altering the time period within which a tower is required to provide certain notice to certain police departments; requiring a tower to provide certain notice to certain persons within a certain time period after towing a vehicle from a parking lot; requiring a tower to provide certain persons with certain itemized costs; requiring a tower to obtain certain photographic evidence from the parking lot owner before towing a vehicle from a parking lot; prohibiting a tower from towing a vehicle for a certain violation within a certain time period; altering the storage facility to which a tower is required to transport a towed vehicle; prohibiting the removal of a towed vehicle from a certain storage facility for a certain time period; clarifying the required opportunity that certain persons must provide for the reclamation of a towed vehicle; requiring a tower to release a towed vehicle to certain persons under certain circumstances; requiring a storage facility for towed vehicles to accept payment in a certain manner certain manners under certain circumstances and to make an automatic teller machine available on the premises; premises under certain circumstances; requiring a storage facility that is in possession of a towed vehicle to make the vehicle available to certain persons for certain purposes; altering the persons eligible to seek certain civil damages from a tower under certain circumstances; altering certain penalties for certain towing violations; establishing certain penalties for violations relating to motor vehicle towing and storage liens; making a certain stylistic change; making a certain technical correction; altering a certain definition; and generally relating to motor vehicle towing practices and procedures.

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     BY repealing and reenacting, with amendments,
30
           Article - Commercial Law
           Section 16–202(c) and 16–207
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           Annotated Code of Maryland
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           (2005 Replacement Volume and 2009 Supplement)
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     BY repealing and reenacting, without amendments,
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           Article - Commercial Law
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           Section 16–206
37
           Annotated Code of Maryland
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           (2005 Replacement Volume and 2009 Supplement)
     BY repealing and reenacting, with amendments,
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           Article – Transportation
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           Section 11–152, 13–507, 13–920, 21–10A–01 through 21–10A–06, and 27–101(c)
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           Annotated Code of Maryland
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(2009 Replacement Volume and 2009 Supplement)

1 BY repealing and reenacting, without amendments, 2 Article – Transportation 3 Section 13–506(c) and 27–101(a) and (b) 4 Annotated Code of Maryland (2009 Replacement Volume and 2009 Supplement) 5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 6 7 MARYLAND, That the Laws of Maryland read as follows: 8 Article - Commercial Law 9 16-202.10 Any 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 11 12 for the motor vehicle, has a lien on the motor vehicle for any charge incurred for any: 13 (i) Repair or rebuilding; 14 Storage; or (ii) Tires or other parts or accessories. 15 (iii) 16 (2) A lien is created under this subsection when any charges set out under paragraph (1) of this subsection giving rise to the lien are incurred. 17 18 FOR A MOTOR VEHICLE WITH A GROSS VEHICLE WEIGHT 19 RATING OF 10,000 POUNDS OR LESS, ANY PERSON WHO TOWS OR REMOVES 20 FROM A PARKING LOT MOTOR VEHICLES ON BEHALF OF A PRIVATE PARKING 21 LOT OWNER IN ACCORDANCE WITH TITLE 21, SUBTITLE 10A OF THE 22 TRANSPORTATION ARTICLE HAS A LIEN ON THE MOTOR VEHICLE FOR ANY 23 CHARGE INCURRED FOR THE TOWING AND STORAGE OF, AND PROVIDING ANY REQUIRED NOTICE REGARDING, THAT MOTOR VEHICLE. 24 16-206.25 26 If the owner of property subject to a lien disputes any part of the 27 charge for which the lien is claimed, he may institute appropriate judicial proceedings. 28 Institution of the proceedings stays execution under the lien until a 29 final judicial determination of the dispute. 30 If the owner of property subject to a lien disputes any part of the (b) 31 charge for which the lien is claimed, he immediately may repossess his property by 32 filing a corporate bond for double the amount of the charge claimed.

THE MOTOR VEHICLE WAS ACQUIRED.

1 (2)The bond shall be filed with and is subject to the approval of the 2 clerk of the court of the county where the services or materials for which the lien is 3 claimed were provided. The bond shall be conditioned on: 4 (3)Full payment of the final judgment of the claim, together 5 (i) 6 with interest; 7 All costs incident to the bringing of suit; and (ii) 8 (iii) All cost and expenses which result from the enforcement of 9 the lien and are incurred before the lienor was notified that the bond was filed. 10 Filing of the bond stays execution under the lien until final judicial (4) 11 determination of the dispute. 12 If service of process by a lienor on the owner is returned non est 13 after filing of a bond, service may be made by publication as in the case of a suit 14 against a nonresident. 15 If suit is not instituted by the lienor within six months after the (6)16 bond is filed, the bond is discharged. 17 16-207.18 **(1)** [If] SUBJECT TO SUBSECTION (G) OF THIS SECTION WITH (a) 19 RESPECT TO MOTOR VEHICLE TOWING AND STORAGE LIENS, AND EXCEPT AS 20 PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF the charges which give rise 21 to a lien are due and unpaid for 30 days and the lienor is in possession of the property 22 subject to the lien, the lienor may sell the property to which the lien attaches at public 23 sale. The sale shall be in a location convenient and accessible to the public and shall be 24 held between the hours of 10 a.m. and 6 p.m. 25 A MOTOR VEHICLE TOWING AND STORAGE LIENOR MAY NOT **(2)** 26 SELL THE MOTOR VEHICLE TO WHICH THE LIEN IS ATTACHED UNLESS THE: 27 **(I)** THE LOCAL JURISDICTION IN WHICH THE MOTOR VEHICLE WAS ACQUIRED LICENSES TOW TRUCK OPERATORS; AND 28 29 (II)THE LIENOR IS LICENSED FOR THE TOWING AND 30 REMOVAL OF MOTOR VEHICLES BY THE THAT LOCAL JURISDICTION IN WHICH

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1	(3) A MOTOR VEHICLE TOWING AND STORAGE LIENOR MAY ONLY
2	SELL A MOTOR VEHICLE TO WHICH A LIEN IS ATTACHED THROUGH A LICENSED
3	DEALER OR AN AUCTIONEER.
4	(4) (1) TE A MOTOR MELLICLE TOWARD AND CHORAGE LIENOR
4	(4) (I) IF A MOTOR VEHICLE TOWING AND STORAGE LIENOR
5	SELLS A MOTOR VEHICLE TO WHICH A LIEN IS ATTACHED, THE LIENOR SHALL
6	RETURN ANY REGISTRATION PLATES FOR THE MOTOR VEHICLE IN ITS
7	POSSESSION TO THE MOTOR VEHICLE ADMINISTRATION.
8	(II) THE MOTOR VEHICLE ADMINISTRATION SHALL
9	PROVIDE THE LIENOR WITH A RECEIPT FOR ANY MOTOR VEHICLE
10	REGISTRATION PLATES RETURNED UNDER THIS PARAGRAPH.
10	WEGISTIMITION I MATES WEITOWIED CHOCK THIS TANKING WITH
11	(b) (1) [The] SUBJECT TO SUBSECTION (B-1)(1) AND (2) OF THIS
12	SECTION, THE lienor shall publish notice of the time, place, and terms of the sale and
13	a full description of the property to be sold once a week for the two weeks immediately
14	preceding the sale in one or more newspapers of general circulation in the county
15	where the sale is to be held.
16	(2) In addition, EXCEPT AS PROVIDED IN SUBSECTION (B-1)(3) OF
17	THIS SECTION, the lienor shall send the notice by registered or certified mail at least
18	10 days before the sale to:
19	(i) The owner of the property, all holders of perfected security
20	interests in the property and, in the case of a sale of a motor vehicle or mobile home,
21	the Motor Vehicle Administration;
22	(ii) The person who incurred the charges which give rise to the
23	lien, if the address of the owner is unknown and cannot be ascertained by the exercise
$\frac{23}{24}$	of reasonable diligence; or
44	of reasonable unigence, or
25	(iii) "General delivery" at the post office of the city or county
26	where the business of the lienor is located, if the address of both the owner and the
$\frac{1}{27}$	person who incurred the charges is unknown and cannot be ascertained by the
28	exercise of reasonable diligence.
29	(B-1) FOR A MOTOR VEHICLE TOWING AND STORAGE LIEN:
30	(1) NOTICE REQUIRED UNDER SUBSECTION (B)(1) OF THIS
31	SECTION SHALL INCLUDE THE NAMES OF THE OWNER OF THE MOTOR VEHICLE,
32	THE INSURER OF RECORD, AND ANY KNOWN PERFECTED SECURED PARTY; AND
0.0	(2)
33	(2) ANY REQUIRED NEWSPAPER PUBLICATION SHALL BE:
9.4	(1) Didition once a week too mite 9 weeks
34	(I) PUBLISHED ONCE A WEEK FOR THE 3 WEEKS

IMMEDIATELY PRECEDING THE PUBLIC SALE; AND

$\frac{1}{2}$	(II) PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE MOTOR VEHICLE WAS ACQUIRED;
4	CHOCLATION IN THE COUNTTIN WHICH THE MOTOR VEHICLE WAS ACQUIRED,
3	(3) THE LIENOR ALSO SHALL SEND A NOTICE BY CERTIFIED MAIL
4	RETURN RECEIPT REQUESTED, AND A NOTICE BY FIRST-CLASS MAIL AT LEAST
5	30 DAYS BEFORE THE PUBLIC SALE TO:
6	(I) THE LAST KNOWN REGISTERED OWNER OF THE MOTOR
7	VEHICLE, THE INSURER OF RECORD, AND EACH SECURED PARTY, AS SHOWN IN
8	THE RECORDS OF THE MOTOR VEHICLE ADMINISTRATION; OR
9	(II) THE PERSON WHO INCURRED THE CHARGES THAT GIVE
10	RISE TO THE LIEN, IF THE ADDRESS OF THE OWNER IS UNKNOWN AND CANNOT
11	BE DETERMINED BY THE EXERCISE OF REASONABLE DILIGENCE.
12	(4) THE NOTICE SHALL:
10	(I) STATE THAT THE MOTOR VEHICLE HAS BEEN TAKEN
13 14	(I) STATE THAT THE MOTOR VEHICLE HAS BEEN TAKEN INTO CUSTODY;
14	INTO COSTODI,
15	(II) DESCRIBE THE YEAR, MAKE, MODEL, AND VEHICLE
16	IDENTIFICATION NUMBER OF THE MOTOR VEHICLE;
17	(III) GIVE THE LOCATION OF THE STORAGE FACILITY WHERE
18	THE MOTOR VEHICLE IS HELD;
19	(IV) INFORM THE OWNER AND ANY SECURED PARTY OF ANY
20	RIGHT TO RECLAIM THE MOTOR VEHICLE WITHIN THE TIME REQUIRED; AND
	Wight to Reemin the motor vehicle within the time requires, in a
21	(V) STATE THAT THE FAILURE OF THE OWNER, INSURER OF
22	RECORD, OR SECURED PARTY TO EXERCISE THE RIGHT TO RECLAIM THE MOTOR
23	VEHICLE IN THE TIME REQUIRED MAY RESULT IN A PUBLIC SALE OF THE
24	VEHICLE; AND
05	(5) The Lienop chall publish electronic notice of the
2526	(5) THE LIENOR SHALL PUBLISH ELECTRONIC NOTICE OF THE PUBLIC SALE ON A WEBSITE DETERMINED BY REGULATIONS OF THE MOTOR
$\frac{20}{27}$	VEHICLE ADMINISTRATION.
	V BRICER LEGISLAND LIVELLOTIO
28	(c) If a motor vehicle or mobile home which is subject to a lien is delivered by

(c) If a motor vehicle or mobile home which is subject to a lien is delivered by the lienor to the possession of a third party for storage, and the charges for storage are due and unpaid for 30 days or more, the third party holder is deemed to hold a perfected security interest in the motor vehicle or mobile home notwithstanding § 13–202 of the Transportation Article and may sell the motor vehicle or mobile home in

- the same manner as the lienor under this section if he has first published and sent notice as required of the lienor under this subtitle.
 - (d) (1) Except as provided in § 13–110 of the Transportation Article AND SUBSECTION (D-1) OF THIS SECTION, the Motor Vehicle Administration shall issue a CERTIFICATE OF title, free and clear of any lien, to the purchaser of any motor vehicle or mobile home sold under this section, if the holder of the lien on the motor vehicle or mobile home submits to the Motor Vehicle Administration a completed application for a certificate of title with:
- 9 (i) A copy of the newspaper publication required by subsection 10 (b) of this section;
- 11 (ii) A copy of EACH OF the registered [or certified letter],
 12 CERTIFIED, OR FIRST-CLASS LETTERS required under [subsection] SUBSECTIONS
 13 (b) AND (B-1) of this section to be sent to holders of perfected security interests in the
 14 motor vehicle or mobile home, THE INSURER OF RECORD, and the Motor Vehicle
 15 Administration, and the return card;
- 16 (iii) A copy of the registered or certified letters required by subsection (b) of this section to be sent to the owner of the motor vehicle or mobile home, and the return card;
- 19 (iv) If applicable, a written statement from the lienor that the 20 lienor stored the vehicle in accordance with an agreement with an insurer;
- 21 (v) An auctioneer's receipt;

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- 22 (vi) If applicable, certification by holders of perfected security 23 interests:
- 24 (vii) In the case of mobile homes manufactured after 1976 and 25 motor vehicles, a pencil tracing of the vehicle identification number or a statement 26 certifying the vehicle identification number; and
- 27 (viii) Any other reasonable information required in accordance 28 with regulations adopted by the Administration.
- 29 (2) The Department of Natural Resources shall issue a title, free and 30 clear of any liens, to the purchaser of any boat sold under this section.
 - (D-1) THE MOTOR VEHICLE ADMINISTRATION SHALL ISSUE A SALVAGE CERTIFICATE, FREE AND CLEAR OF ANY LIEN, TO THE PURCHASER OF ANY MOTOR VEHICLE SOLD UNDER THIS SECTION THAT IS SUBJECT TO A MOTOR VEHICLE TOWING AND STORAGE LIEN, IF THE HOLDER OF THE LIEN ON THE

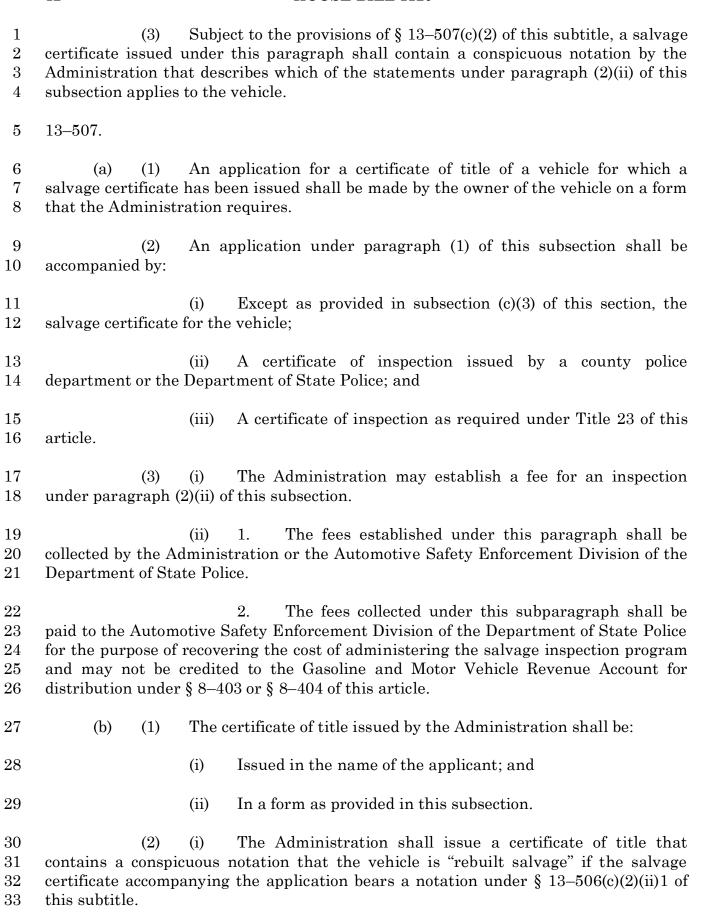
- 1 MOTOR VEHICLE SUBMITS TO THE MOTOR VEHICLE ADMINISTRATION A 2 COMPLETED APPLICATION FOR A SALVAGE CERTIFICATE WITH:
- 3 (1) THE DOCUMENTS A LIENOR IS REQUIRED TO SUBMIT WITH AN APPLICATION FOR A CERTIFICATE OF TITLE UNDER SUBSECTION (D)(1)(I) THROUGH (VI) OF THIS SECTION;
- 6 (2) A PENCIL TRACING AND PHOTOGRAPH DIGITAL IMAGE OF THE VEHICLE IDENTIFICATION NUMBER OR A STATEMENT CERTIFYING THE VEHICLE IDENTIFICATION NUMBER;
- 9 (3) A COPY OF THE NATIONWIDE VEHICLE HISTORY REPORT;
- 10 (4) IN THE CASE OF A MOTOR VEHICLE BEING PURCHASED BY A
 11 NONINDIVIDUAL, THE FEDERAL TAX IDENTIFICATION NUMBER OR THE
 12 MARYLAND COMPTROLLER TAX IDENTIFICATION NUMBER;
- 13 (5) THE DRIVER'S LICENSE OR IDENTIFICATION NUMBER AND 14 STATE OF ISSUANCE OF THE PERSON APPLYING FOR THE SALVAGE 15 CERTIFICATE; AND
- 16 **(6)** Any other reasonable information required in Accordance with regulations adopted by the Motor Vehicle Administration.
- 19 (e) (1) If the notice required under § 16–203(b) of this subtitle was sent, 20 the proceeds of a sale under this section shall be applied, in the following order, to:
- 21 (i) The expenses of giving notice and holding the sale, including 22 reasonable attorney's fees;
- 23 (ii) Subject to subsection (f) of this section, storage fees of the 24 third party holder;
- 25 (iii) The amount of the lien claimed exclusive of any storage fees except as provided in subsection (f)(2) of this section;
- 27 (iv) A purchase money security interest; and
- 28 (v) Any remaining secured parties of record who shall divide the 29 remaining balance equally if there are insufficient funds to completely satisfy their 30 respective interests, but not to exceed the amount of a security interest.
- 32 (2) Except as provided in paragraph (3) of this subsection, if the notice 32 required under § 16–203(b) of this subtitle was not sent, the proceeds of a sale under 33 this section shall be applied, in the following order, to:

1		(i)	A purchase money security interest;
2 3	property;	(ii)	All additional holders of perfected security interests in the
4 5	reasonable attorne	(iii) ey's fee	The expenses of giving notice and holding the sale, including s;
6 7	third party holder;	(iv)	Subject to subsection (f) of this section, storage fees of the
8 9	except as provided	(v) in sub	The amount of the lien claimed exclusive of any storage fees section (f)(2) of this section;
10 11 12			Any remaining secured parties of record who shall divide the lly if there are insufficient funds to completely satisfy their ot to exceed the amount of a security interest.
13 14	(3) required under § 1		motor vehicle lien created under this subtitle, if the notice (b) of this subtitle was not sent:
15 16	the order described	(i) d in pa	The proceeds of a sale under this section shall be applied in ragraph (1) of this subsection; and
17 18 19	subsection may no lienor.	(ii) t inclu	The amount of the lien claimed in paragraph (1)(iii) of this de any amount for storage charges incurred or imposed by the
20 21 22	or (2) of this subsproperty.		application of the proceeds in accordance with paragraph (1), any remaining balance shall be paid to the owner of the
23 24 25	(f) (1) SUBSECTION, IF exceed \$5 per day	proper	EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS ty is stored, storage fees of the third party holder may not tal of \$300.
26 27 28 29 30	conducts auctions under § 15–113 in	iii) an as a the Tr	exclusion or limitation of any storage fees as provided in d (f)(1) of this section does not apply to any person who business in this State, and is required to maintain records cansportation Article, and that person is also exempt from the nits under this subsection.
31	(3)	The n	notice requirements of § 16–203(b) of this subtitle do not apply

when:

$\frac{1}{2}$	(i) The lienor conducts auctions as a business in this State and is required to maintain records under § 15–113 of the Transportation Article; and
3	(ii) The lien arises out of that business.
4 5 6 7	(4) FOR A MOTOR VEHICLE WITH A GROSS VEHICLE WEIGHT RATING OF 10,000 POUNDS OR LESS TOWED IN ACCORDANCE WITH TITLE 21, SUBTITLE 10A OF THE TRANSPORTATION ARTICLE, THE TOTAL TOWING AND STORAGE FEES MAY NOT EXCEED \$1,200.
8 9 10 11 12	(G) FOR A MOTOR VEHICLE TOWING AND STORAGE LIEN ON A MOTOR VEHICLE THAT IS VALUED AT HAS AN AVERAGE WHOLESALE VALUE OF MORE THAN \$7,500 \$5,000 AS SHOWN IN A NATIONAL PUBLICATION OF USED MOTOR VEHICLE VALUES ADOPTED FOR USE BY THE MOTOR VEHICLE ADMINISTRATION, THE LIENOR SHALL:
13 14 15	(1) FILE AN ACTION IN CIRCUIT COURT FOR A DECLARATORY JUDGMENT TO SELL THE MOTOR VEHICLE AND PROPERLY DISPOSE OF THE PROCEEDS OF THE SALE; AND
16 17	(2) PROPERLY JOIN ALL PARTIES IN THE ACTION, INCLUDING ANY SECURED PARTY AND INSURER OF RECORD.
18 19 20	(H) A PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION THAT GOVERN A MOTOR VEHICLE TOWING AND STORAGE LIEN IS SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.
21	Article - Transportation
22	11–152.
23	(a) "Salvage" means any vehicle that:
24 25 26 27	(1) Has been damaged by collision, fire, flood, accident, trespass, or other occurrence to the extent that the cost to repair the vehicle for legal operation on a highway exceeds 75% of the fair market value of the vehicle prior to sustaining the damage;
28 29	(2) Has been acquired by an insurance company as a result of a claim settlement; [or]
30	(3) Has been acquired by an automotive dismantler and recycler:
31 32	(i) As an abandoned vehicle, as defined under § 25–201 of this article; or

1	(ii) For rebuilding or for use as parts only; OR
2 3 4	(4) HAS BEEN ACQUIRED AT A PUBLIC SALE IN ACCORDANCE WITH TITLE 25, SUBTITLE 2 OF THIS ARTICLE OR § 16–207 OF THE COMMERCIAL LAW ARTICLE.
5 6 7	(b) For purposes of this section, a vehicle has not been acquired by an insurance company if an owner retains possession of the vehicle upon settlement of a claim concerning the vehicle by the insurance company.
8	13–506.
9 10 11	(c) (1) Except as provided in § 13–507(b)(5) of this subtitle, for each vehicle that is acquired as a result of a claim settlement arising from an accident that occurred in the State, an insurance company or its authorized agent shall apply:
12 13	(i) For a salvage certificate on a form provided by the Administration for a vehicle titled in the State; or
l4 l5	(ii) Electronically for a salvage certificate for a vehicle titled in a foreign jurisdiction.
16 17	(2) The application under paragraph (1) of this subsection shall be accompanied by:
18	(i) The certificate of title of the vehicle;
19	(ii) A statement by the insurance company that:
20 21 22	1. The cost to repair the vehicle for highway operation is greater than 75% of the fair market value of the vehicle prior to sustaining the damage for which the claim was paid and the vehicle is repairable;
23 24 25	2. The cost to repair the vehicle for highway operation is greater than 75% of the fair market value of the vehicle prior to sustaining the damage for which the claim was paid and the damage to the vehicle is cosmetic only;
26 27	3. The vehicle is not rebuildable, will be used for parts only, and is not to be retitled;
28	4. The vehicle has been stolen; or
29	5. The vehicle has sustained flood damage; and
RO	(iii) A fee established by the Administration



- The Administration may not issue a certificate of title for a 1 2 vehicle if the salvage certificate for the vehicle bears a notation under § 3 13-506(c)(2)(ii)3 of this subtitle. 4 The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle sustained cosmetic damage if the salvage 5 6 certificate accompanying the application bears a notation under § 13–506(c)(2)(ii)2 of this subtitle. 7 8 The Administration shall issue a certificate of title that contains a 9 conspicuous notation that the vehicle is "Flood Damaged" if the salvage certificate accompanying the application bears a notation under § 13-506(c)(2)(ii)5 of this 10 11 subtitle. 12 Except for a flood damaged vehicle, the Administration shall issue (5)13 a certificate of title that does not bear a notation or other similar statement under this section if an insurance company makes a claim settlement on a vehicle that has 14 15 sustained damage that costs 75% or less than the fair market value of the vehicle to 16 repair. 17 **(6)** THE ADMINISTRATION SHALL ISSUE A CERTIFICATE OF TITLE THAT CONTAINS A CONSPICUOUS NOTATION THAT THE VEHICLE IS "SALVAGE" 18 IF THE SALVAGE CERTIFICATE ACCOMPANYING THE APPLICATION BEARS A 19 20 NOTATION UNDER § 13–506(C) OF THIS SUBTITLE. 21 (c) (1) When an insurance company makes a claim settlement on a 22vehicle that has been stolen, the company shall apply for a salvage certificate as 23 provided in § 13–506(c) of this subtitle. On receipt of an application under this subsection, 24(2) 25 Administration: 26 (i) Shall make the appropriate notation in its records; and 27 (ii) May not issue the salvage certificate until the vehicle is 28 recovered. 29 (3)When a vehicle that has been stolen is recovered, the Administration shall: 30 31 Issue a salvage certificate for the vehicle if the insurance (i) 32 company submits a certification under § 13-506(c)(2)(ii)1, 2, 3, or 5 of this subtitle; or
 - (ii) Issue a certificate of title in the name of the insurance company in lieu of a salvage certificate if the insurance company states that the vehicle has sustained damage, except for flood damage, that costs 75% or less than the fair market value of the vehicle to repair.

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- 1 (4) The provisions of subsection (b) of this section apply to a certificate 2 of title issued under this subsection.
- 3 (5) A vehicle for which a certificate of title was issued under 4 paragraph (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in 5 § 13–810(a)(9) of this title.
 - (d) If the Administration receives an application for a certificate of title for a vehicle accompanied by an ownership document issued by another state containing a notation under the laws of the issuing state that the vehicle is in a condition that is substantially similar to a vehicle that is rebuilt salvage under Maryland law, the certificate of title issued by the Administration shall contain a similar notation.
- 11 (e) The Administration may adopt regulations to implement this section.
- 12 13–920.

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- 13 (a) (1) In this section, "tow truck" means a vehicle that:
- 14 (i) Is a Class E (truck) vehicle that is designed to lift, pull, or 15 carry a vehicle by a hoist or mechanical apparatus;
- 16 (ii) Has a manufacturer's gross vehicle weight rating of 10,000 pounds or more; and
- 18 (iii) Is equipped as a tow truck or designed as a rollback as 19 defined in § 11–151.1 of this article.
- 20 (2) In this section, "tow truck" does not include a truck tractor as 21 defined in § 11–172 of this article.
- 22 (b) When registered with the Administration every tow truck as defined in 23 this section is a Class T vehicle.
- 24 (c) A tow truck registered under this section may be used to tow vehicles for repair, storage, or removal from the highway.
- 26 (d) (1) Subject to the provisions of paragraph (2) of this subsection, for each vehicle registered under this section, the annual registration fee is based on the manufacturer's gross vehicle weight rating as follows:

29	Manufacturer's Gross Weight	Fee
30	Rating (in Pounds)	
31	10,000 (or less) to 26,000	\$185.00
32	More than 26,000	\$550.00

The annual registration fee for a vehicle registered under 1 2 this section that is used for any purpose other than that described in subsection (c) of 3 this section shall be determined under subparagraph (ii) of this paragraph if the 4 maximum gross weight of the vehicle or combination of vehicles: 5 Exceeds 18,000 pounds and the vehicle has a 6 manufacturer's gross weight rating of 26,000 pounds or less; or 7 2. Exceeds 35,000 pounds and the vehicle has a 8 manufacturer's gross weight rating of more than 26,000 pounds. 9 (ii) The annual registration fee shall be the greater of: 10 1. The fees set forth in paragraph (1) of this subsection; 11 or 12 2. The fees set forth in § 13–916(b) of this subtitle. 13 Notwithstanding §§ 24–104.1, 24–108, and 24–109 of this article, a tow truck registered under this section, while engaged in a tow, may move a vehicle or 14 15 vehicle combination on a highway for safety reasons if: 16 The tow truck and the vehicle or vehicle combination being towed 17 comply with all applicable statutory weight and size restrictions under Title 24 of this article when measured or weighed separately; and 18 19 (2)The vehicle or vehicle combination is being towed by the safest and shortest practical route possible to the vehicle's destination. 20 Notwithstanding any other provision of this section, while engaged in 2122 towing, a tow truck registered under this section is subject to: 23 (1) Weight restrictions imposed on restricted bridges; and 24 All applicable statutory weight and size restrictions under Title 24 25 of this article while being operated within the limits of Baltimore City, unless the 26 vehicle is being operated on an interstate highway. 27 Except for tow trucks operated by dealers, automotive dismantlers and 28 recyclers, and scrap processors displaying special registration plates issued under this 29 title, the vehicle shall display a distinctive registration plate as authorized by the 30 Administration. 31 (h) A person who registers a tow truck under this section, INCLUDING A

AN AUTOMOTIVE DISMANTLER AND RECYCLER, OR A SCRAP

PROCESSOR WHO OPERATES A TOW TRUCK IN THIS STATE, or A PERSON WHO

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DEALER.

- 1 operates a tow truck in this State that is registered under the laws of another state, 2 shall: 3 (1) Obtain commercial liability insurance in the amount [of at least 4 \$100,000 per person, \$300,000 per occurrence bodily injury liability, and \$100,000 per occurrence property damage liability | REQUIRED BY FEDERAL LAW; and 5 6 Provide a federal employer identification number and, if applicable 7 to the tow truck under federal requirements: 8 (i) A U.S. Department of Transportation motor carrier number; 9 or 10 (ii) Interstate Commerce Commission motor carrier An 11 authority number. 12 (i) (1) Except as provided under paragraph (2) of this subsection, a person 13 may not operate a rollback in combination with a vehicle being towed unless the rollback is registered as a tow truck. 14 15 (2)This subsection does not apply to a vehicle that is registered and operated in accordance with § 13–621 or § 13–622 of this title. 16 17 This subsection applies only to a vehicle required to be registered (i) (1) in the State. 18 19 A person may not operate a tow truck for hire unless the tow truck 20 is registered under this section. 21A person convicted of operating a tow truck in violation of (3)22 this subsection shall be subject to a fine [of up to] NOT EXCEEDING \$3,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH. 23 24 A TOW TRUCK THAT IS IMPROPERLY REGISTERED OR (II)25 UNREGISTERED MAY BE IMPOUNDED. 26 21-10A-01. 27 In this subtitle, "parking lot" means a privately owned facility consisting
- 29 (1) Accessible to the general public; and

of 3 or more spaces for motor vehicle parking that is:

30 (2) Intended by the owner of the facility to be used primarily by the 31 owner's customers, clientele, residents, lessees, or guests.

- 1 (b) (1) This subtitle applies only to the towing or removal of vehicles from 2 parking lots [in Baltimore City or Baltimore County].
- Nothing in this subtitle prevents a local authority from exercising any power to adopt ordinances <u>LOCAL LAWS</u> or regulations relating to the registration or licensing of persons engaged in, <u>OR OTHERWISE REGULATING IN A MORE</u> <u>STRINGENT MANNER</u>, the parking, towing or removal, or impounding of vehicles.
- 7 (c) This subtitle does not apply to an abandoned vehicle as defined in \S 25–201 of this article.
- 9 21–10A–02.
- 10 (a) The owner or operator of a parking lot or the owner's or operator's agent 11 may not have a vehicle towed or otherwise removed from the parking lot unless the 12 owner, operator, or agent has placed in conspicuous locations, as described in 13 subsection (b) of this section, signs that:
- 14 (1) Are at least 24 inches high and 30 inches wide;
- 15 (2) Are clearly visible to the driver of a motor vehicle entering or being 16 parked in the parking lot;
- 17 (3) State the location to which the vehicle will be towed or removed 18 AND THE NAME OF THE TOWING COMPANY;
- 19 (4) State [the hours during which the vehicle may be reclaimed] THAT 20 STATE LAW REQUIRES THAT THE VEHICLE BE AVAILABLE FOR RECLAMATION 24 HOURS PER DAY, 7 DAYS PER WEEK;
- 22 (5) State the maximum amount that the owner of the vehicle may be charged for the towing or removal of the vehicle; and
- 24 (6) Provide the telephone number of a person who can be contacted to arrange for the reclaiming of the vehicle by its owner or the owner's agent.
- 26 (b) The signs described in subsection (a) of this section shall be placed to provide at least 1 sign for every 7,500 square feet of parking space in the parking lot.
- 28 21–10A–03.
- 29 **(A)** [A] SUBJECT TO SUBSECTION (B) OF THIS SECTION, A vehicle may not 30 be towed or otherwise removed from a parking lot to a location that is more:
- 31 (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, MORE than 32 [10] 15 miles from the parking lot; OR

(2) OUTSIDE OF THE STATE.

- 2 (B) A LOCAL JURISDICTION MAY ESTABLISH A MAXIMUM DISTANCE 3 FROM A PARKING LOT TO A TOWED VEHICLE STORAGE FACILITY THAT IS 4 DIFFERENT THAN THAT ESTABLISHED UNDER SUBSECTION (A) (A)(1) OF THIS
- 5 SECTION.
- 6 21–10A–04.
- 7 <u>A UNLESS OTHERWISE SET BY LOCAL LAW, A</u> person who undertakes the towing or removal of a vehicle from a parking lot:
- 9 (1) May not charge the owner of the vehicle or <u>VEHICLE</u>, the owner's agent, <u>THE INSURER OF RECORD</u>, <u>OR ANY SECURED PARTY</u> <u>MORE THAN THE</u> 11 <u>AMOUNT OF</u>:
- 12 (i) [More than twice TWICE] the amount of the] THE total fees 13 normally charged or authorized by the political subdivision for the PUBLIC SAFETY 14 impound towing of vehicles; [and]
- 15 (ii) [Except as provided in] NOTWITHSTANDING § 16–207(f)(1)
 16 of the Commercial Law Article, [more than \$8 per day for storage] THE FEE
 17 NORMALLY CHARGED OR AUTHORIZED BY THE POLITICAL SUBDIVISION FROM
 18 WHICH THE VEHICLE WAS TOWED FOR THE DAILY STORAGE OF IMPOUNDED
 19 VEHICLES;
- 20 (III) IF A POLITICAL SUBDIVISION DOES NOT ESTABLISH A
 21 FEE LIMIT FOR THE PUBLIC SAFETY TOWING OR STORAGE OF IMPOUNDED
 22 VEHICLES, \$400 \$300 FOR TOWING A VEHICLE AND \$35 \$30 PER DAY FOR
 23 VEHICLE STORAGE; AND
- 24 (IV) THE ACTUAL COST OF PROVIDING NOTICE UNDER THIS 25 SECTION AND § 16–207 OF THE COMMERCIAL LAW ARTICLE; AND
- 26 (V) FOR A VEHICLE WITH A GROSS VEHICLE WEIGHT 27 RATING OF 10,000 POUNDS OR LESS, \$1,200 FOR THE TOTAL OF ALL COSTS 28 RELATED TO VEHICLE TOWING AND STORAGE;
- 29 (2) Shall notify the police department in the jurisdiction where the 30 parking lot is located within [two hours] 1 HOUR after towing or removing the vehicle 31 from the parking lot, and shall provide the following information:
- 32 (i) A description of the vehicle including the vehicle's 33 registration plate number and vehicle identification number;

1	(ii) The date and time the vehicle was towed or removed;
2	(iii) The reason the vehicle was towed or removed; and
3 4	(iv) The locations from which and to which the vehicle was towed or removed;
5	(3) SHALL NOTIFY THE OWNER, ANY SECURED PARTY, AND THE
6	INSURER OF RECORD BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND
7	FIRST-CLASS MAIL WITHIN 72 HOURS AFTER TOWING OR REMOVING THE
8	VEHICLE FROM THE PARKING LOT, AND SHALL PROVIDE THE SAME
9	INFORMATION REQUIRED IN A NOTICE TO A POLICE DEPARTMENT UNDER ITEM
10	(2) OF THIS SECTION;
11	(4) SHALL PROVIDE TO THE OWNER, ANY SECURED PARTY, AND
12	THE INSURER OF RECORD THE ITEMIZED ACTUAL COSTS OF PROVIDING NOTICE
13	UNDER THIS SECTION AND § 16-207 OF THE COMMERCIAL LAW ARTICLE;
14	(5) Before towing or removing the vehicle, shall have authorization of
15	the parking lot owner which shall include:
16	(i) The name of the person authorizing the tow or removal;
17	[and]
18	(ii) A statement that the vehicle is being towed or removed at
19	the request of the parking lot owner; AND
20	(III) PHOTOGRAPHIC EVIDENCE OF THE VIOLATION OR
21	EVENT THAT PRECIPITATED THE TOWING OF THE VEHICLE;
22	(4) (6) Shall obtain commercial liability insurance in the amount [of at
23	least \$20,000 per occurrence] REQUIRED BY FEDERAL LAW to cover the cost of any
24	damage to the vehicle resulting from the person's negligence;
25	(5) (Shall obtain a surety bond in the amount of \$20,000 to guarantee
26	payment of any liability incurred under this subtitle;
27	(6)] May not employ individuals, commonly referred to as "spotters",
28	whose primary task is to report the presence of unauthorized parked vehicles for the
29	purposes of towing or removal, and impounding; [and]
30	[(7)] (8) May not pay any remuneration to the owner of the parking
31	lot; AND

- 1 (7) (9) MAY NOT TOW A VEHICLE SOLELY FOR A VIOLATION OF
- 2 FAILURE TO DISPLAY A VALID CURRENT REGISTRATION UNDER § 13-411 OF
- 3 THIS ARTICLE UNTIL 72 HOURS AFTER A NOTICE OF VIOLATION IS PLACED ON
- 4 THE VEHICLE.
- 5 21–10A–05.
- 6 (A) [If] SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF a vehicle is towed or otherwise removed from a parking lot, the person in possession of the vehicle [shall]:
- 9 (1) [Immediately] SHALL IMMEDIATELY deliver the vehicle directly to [a] THE storage facility [customarily used by the person undertaking the towing or removal of the vehicle] STATED ON THE SIGNS POSTED IN ACCORDANCE WITH § 21–10A–02 OF THIS SUBTITLE; [and]
- 13 (2) MAY NOT MOVE THE TOWED VEHICLE FROM THAT STORAGE 14 FACILITY TO ANOTHER STORAGE FACILITY FOR AT LEAST 72 HOURS; AND
- 15 (3) [Provide] SHALL PROVIDE the owner of the vehicle or the owner's agent immediate and continuous opportunity, 24 HOURS PER DAY, 7 DAYS PER WEEK, from the time the vehicle was received at the storage facility, to retake possession of the vehicle.
- 19 **(B)** BEFORE A VEHICLE IS REMOVED FROM A PARKING LOT, A TOWER 20 WHO POSSESSES THE VEHICLE SHALL RELEASE THE VEHICLE TO THE OWNER OR 21 AN AGENT OF THE OWNER:
- 22 (1) If the owner or agent requests that the tower 23 release the vehicle;
- 24 (2) IF THE VEHICLE CAN BE DRIVEN UNDER ITS OWN POWER;
- 25 (3) WHETHER OR NOT THE VEHICLE HAS BEEN LIFTED OFF THE 26 GROUND; AND
- 27 (4) IF THE OWNER OR AGENT PAYS A DROP FEE TO THE TOWER IN 28 AN AMOUNT NOT EXCEEDING 50% OF THE COST OF A FULL TOW.
- 29 (C) (1) A STORAGE FACILITY THAT IS IN POSSESSION OF A TOWED 30 VEHICLE SHALL:
- 31 (1) ACCEPT SUBJECT TO PARAGRAPH (2) OF THIS 32 SUBSECTION, ACCEPT PAYMENT FOR OUTSTANDING TOWING OR STORAGE

- 1 CHARGES BY <u>CASH OR</u> AT LEAST TWO MAJOR, NATIONALLY RECOGNIZED CREDIT
- 2 CARDS; OR
- 3 (2) (II) HAVE AN OPERABLE AUTOMATIC TELLER MACHINE
- 4 AVAILABLE ON THE PREMISES.
- 5 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
- 6 PARAGRAPH, IF A STORAGE FACILITY IS UNABLE TO PROCESS A CREDIT CARD
- 7 PAYMENT AND DOES NOT HAVE AN OPERABLE AUTOMATIC TELLER MACHINE ON
- 8 THE PREMISES, THE STORAGE FACILITY SHALL ACCEPT A PERSONAL CHECK AS
- 9 PAYMENT FOR OUTSTANDING TOWING AND STORAGE CHARGES.
- 10 (II) A STORAGE FACILITY MAY REFUSE TO ACCEPT A
- 11 PERSONAL CHECK AS PAYMENT IF IT IS UNABLE TO PROCESS A CREDIT CARD
- 12 FOR THE PAYMENT BECAUSE USE OF THE CREDIT CARD HAS BEEN DECLINED BY
- 13 THE CREDIT CARD COMPANY.
- 14 (3) A STORAGE FACILITY THAT IS IN POSSESSION OF A TOWED
- 15 VEHICLE SHALL MAKE THE VEHICLE AVAILABLE TO THE OWNER, THE OWNER'S
- 16 AGENT, THE INSURER OF RECORD, OR A SECURED PARTY, UNDER THE
- 17 SUPERVISION OF THE STORAGE FACILITY, FOR:
- 18 (I) INSPECTION; OR
- 19 (II) RETRIEVAL FROM THE VEHICLE OF PERSONAL
- 20 PROPERTY THAT IS NOT ATTACHED TO THE VEHICLE.
- 21 21–10A–06.
- Any person who undertakes the towing or removal of a vehicle from a parking
- 23 lot in violation of any provision of this subtitle:
- 24 (1) Shall be liable for actual damages sustained by any person as a
- 25 direct result of the violation; and
- 26 (2) Shall be liable to the vehicle owner, A SECURED PARTY, AN
- 27 INSURER, OR A SUCCESSOR IN INTEREST for triple the amount paid by the owner or
- 28 the owner's agent to retake possession of the vehicle.
- 29 27–101.
- 30 (a) It is a misdemeanor for any person to violate any of the provisions of the
- 31 Maryland Vehicle Law unless the violation:
- 32 (1) Is declared to be a felony by the Maryland Vehicle Law or by any
- 33 other law of this State; or

- 1 (2) Is punishable by a civil penalty under the applicable provision of the Maryland Vehicle Law.
- 3 (b) Except as otherwise provided in this section, any person convicted of a 4 misdemeanor for the violation of any of the provisions of the Maryland Vehicle Law is 5 subject to a fine of not more than \$500.
- 6 (c) Any person who is convicted of a violation of any of the provisions of the 7 following sections of this article is subject to a fine of not more than \$500 or 8 imprisonment for not more than 2 months or both:
- 9 (1) § 12–301(e) or (f) ("Special identification cards: Unlawful use of identification card prohibited");
- 11 (2) § 14–102 ("Taking or driving vehicle without consent of owner");
- 12 (3) § 14–104 ("Damaging or tampering with vehicle");
- 13 (4) § 14–107 ("Removed, falsified, or unauthorized identification 14 number or registration card or plate");
- 15 (5) § 14–110 ("Altered or forged documents and plates");
- 16 (6) § 15–312 ("Dealers: Prohibited acts Vehicle sales transactions");
- 17 (7) § 15–313 ("Dealers: Prohibited acts Advertising practices");
- 18 (8) § 15–314 ("Dealers: Prohibited acts Violation of licensing laws");
- 19 (9) § 15–411 ("Vehicle salesmen: Prohibited acts");
- 20 (10) § 15–502(c) ("Storage of certain vehicles by unlicensed persons 21 prohibited");
- 22 (11) § 16–113(j) ("Violation of alcohol restriction");
- 23 (12) § 16–301, except § 16–301(a) or (b) ("Unlawful use of license");
- 24 (13) § 16–303(h) ("Licenses suspended under certain provisions of 25 Code");
- 26 (14) § 16–303(i) ("Licenses suspended under certain provisions of the traffic laws or regulations of another state");
- 28 (15) § 18–106 ("Unauthorized use of rented motor vehicle");

$\frac{1}{2}$	(16) damage to attende	§ 20–103 ("Driver to remain at scene – Accidents resulting only in ed vehicle or property");
3	(17)	§ 20–104 ("Duty to give information and render aid");
4	(18)	§ 20–105 ("Duty on striking unattended vehicle or other property");
5	(19)	§ 20–108 ("False reports prohibited");
6 7	(20) signs and signals'	§ 21–206 ("Interference with traffic control devices or railroad");
8 9 10	(21) ("Pedestrians' rigi an accident;	As to a pedestrian in a marked crosswalk, § 21–502(a) ht–of–way in crosswalks: In general"), if the violation contributes to
11 12 13	(22) ("Passing of vehice an accident;	As to another vehicle stopped at a marked crosswalk, § 21–502(c) ele stopped for pedestrian prohibited"), if the violation contributes to
14 15	(23) 21–902(b) ("Drivin	Except as provided in subsections (f) and (q) of this section, § ng while impaired by alcohol");
16 17	(24) 21–902(c) ("Drivin	Except as provided in subsections (f) and (q) of this section, § and while impaired by drugs or drugs and alcohol");
18	(25)	§ 21–902.1 ("Driving within 12 hours after arrest"); [or]
19 20	(26) VEHICLES FROM	TITLE 21, SUBTITLE 10A ("TOWING OR REMOVAL OF PARKING LOTS"); OR
21 22	(27) systems").	§ 27-107(d), (e), (f), or (g) ("Prohibited acts - Ignition interlock
23 24	SECTION : October 1, 2010.	2. AND BE IT FURTHER ENACTED, That this Act shall take effect
	Approved:	
		Governor.
		Speaker of the House of Delegates.

President of the Senate.