

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 654

(Delegate Impallaria, *et al.*)

Environmental Matters

Judicial Proceedings

Harford County - Towing and Removing Vehicles

This bill establishes several restrictions and other requirements relating to the towing and removal of vehicles from private property other than residences in Harford County.

Fiscal Summary

State Effect: General fund revenues increase minimally due to the civil penalties established by the bill.

Local Effect: Potential increase in expenditures and operations for the Harford County Sheriff, which may be partially or fully offset by the permit fee authorized to be established under the bill.

Small Business Effect: Meaningful adverse impact on small business towing companies in Harford County.

Analysis

Bill Summary: The bill prohibits the towing or removal of a vehicle from private property unless the property has posted signs in conformance with the requirements of the Harford County Sheriff and State or local law, and the property's owner has requested the vehicle's removal. Under the bill, an owner includes an authorized agent of the owner, or a member of a board or association with control over the property who has been authorized to order the towing of vehicles. The bill also prohibits an owner from contracting for the removal of a vehicle with an affiliate of the owner; a member of a board or association with control over the property on which the vehicle is located; or a relative of the owner or a member of the board or association.

Before towing, the person removing the vehicle must obtain the name of the person authorized to request the vehicle's removal under the bill and a statement about the request. The person that will tow the vehicle must also notify the Harford County Sheriff of the vehicle's description, registration number, vehicle identification number, the time the vehicle will be removed, the reason for removal, and the location from which and to which the vehicle will be removed.

The only fees authorized to be charged to the vehicle's owner (or agent), secured party, or insurer are no more than \$60 for removal of the vehicle and no more than \$20 per day for storage. No fee may be charged for the first 24 hours of storage or for storage on any day that the storage location is closed for reclamation of towed vehicles.

Once a vehicle is removed, the vehicle must be taken directly to the storage facility specified on the posted signs, and the person in possession must send a certified letter to the owner, secured party, and insurer of the vehicle within two business days. The letter must contain information on the location of the vehicle, the hours during which the vehicle may be reclaimed, and the charges that may be incurred for the towing and storage. A record of this notification must be kept for one year for inspection by law enforcement officers, and the owner of the property from which the vehicle was removed must also maintain a log of all towing or removal requests along with documentation provided by the towing service.

Any person who tows or removes vehicles from private property in Harford County must register with the Harford County Sheriff and maintain current contact information; the sheriff may charge a registration fee. The person must also obtain a commercial liability insurance policy as required by State and federal law. On violation of the bill, a person (1) must return the vehicle to its owner at the person's own expense; (2) is liable for any actual damages occurring as a result of the violation as well as triple the costs incurred by the owner to retake possession of the vehicle, if any; and (3) is subject to a civil penalty of up to \$1,000. A person who requests that a vehicle be towed or removed in violation of the bill is also subject to a civil penalty of up to \$1,000.

Current Law: The Maryland Vehicle Law currently restricts the towing or removal of vehicles from parking lots in Baltimore City and Baltimore County, and authorizes the Charles County Commissioners to adopt ordinances and regulations relating to the towing or removal of vehicles from privately owned parking lots in the county. In addition, the Maryland Vehicle Law authorizes automotive dismantlers, recyclers, and scrap processors to remove abandoned vehicles under the oversight of the Motor Vehicle Administration and law enforcement authorities.

Local Expenditures: Harford County expenditures increase to the extent that the bill's implementation cannot be handled with existing resources. For example, the bill requires the Harford County Sheriff to specify requirements governing the posting of signs relating to the towing and removal of vehicles from private property. The bill imposes an additional administrative burden on the sheriff by requiring registration of all towing services, requiring a towing service to notify the sheriff each time a vehicle is to be towed, complete with certain information on each notification. In addition, the sheriff may be required to increase certain inspection activities under the bill. It is unclear whether the cumulative effect of each of these activities will necessitate the hiring of one or more additional administrative personnel or deputies at the sheriff's office.

Local Revenues: The permit fee authorized in the bill may partially or fully offset any increase in Harford County expenditures to support the sheriff's implementation of the bill. A permit fee may be charged to any towing service required to register with the sheriff under the bill.

Small Business Effect: The bill may have a meaningful adverse impact on small business towing services operating in Harford County. This impact is caused by a limitation on the fees that may be charged for towing or storage of vehicles, a prohibition against certain types of charges, the requirement to obtain commercial liability insurance coverage, and the potential payment of a registration fee. In addition to these direct economic impacts, the bill establishes a \$1,000 civil penalty and imposes treble damages based on a violation of the bill; the bill also provides for the liability of a towing service, but it is unclear how this differs from a finding of liability for actual damages set forth in common law.

Additionally, the bill imposes a number of restrictions affecting the manner in which a towing service must conduct its business. For example, the bill prohibits a towing service from contracting with a relative or other specified associate if it falls within the applicability of the bill. In addition, once a vehicle is removed from private property, it must be taken directly to the storage facility customarily used by the towing service and the towing service must then send a certified letter to the vehicle's owner, secured party, and insurer, within two business days. It is unclear to what extent this differs from current practice, but it likely affects at least some towing services. Finally, the bill imposes less significant requirements on the owners of private property from which a vehicle is to be towed, such as maintaining a log of towing requests and keeping certain documentation.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510