

SENATE BILL 570

R7

11r2497
CF HB 356

By: **Senator Pugh**

Introduced and read first time: February 4, 2011

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles – Towing Practices and Procedures**

3 FOR the purpose of establishing a motor vehicle towing, recovery, and storage lien on
4 a towed motor vehicle on behalf of the tower for certain towing, recovery, and
5 storage charges; prohibiting a motor vehicle towing, recovery, and storage lienor
6 from selling the motor vehicle to which the lien is attached under certain
7 circumstances; providing that a motor vehicle towing, recovery, and storage
8 lienor may only sell a motor vehicle to which a lien is attached in a certain
9 manner; requiring a motor vehicle towing, recovery, and storage lienor to return
10 certain motor vehicle registration plates to the Motor Vehicle Administration
11 under certain circumstances; requiring the Motor Vehicle Administration to
12 provide a receipt for the return of certain motor vehicle registration plates;
13 establishing certain notice and publication requirements for the public sale of a
14 towed vehicle; requiring the Administration to issue a salvage certificate to the
15 purchaser of an abandoned vehicle or a vehicle subject to a motor vehicle
16 towing, recovery, and storage lien under certain circumstances; providing for
17 the application process for a salvage certificate for an abandoned vehicle or a
18 vehicle subject to a motor vehicle towing, recovery, and storage lien; requiring
19 certain motor vehicle towing, recovery, and storage lienors to file a certain court
20 action in a certain manner under certain circumstances; requiring the Motor
21 Vehicle Administration to issue a certificate of title that contains a conspicuous
22 “salvage” notation under certain circumstances; clarifying the application of
23 certain security requirements for tow trucks; altering certain security
24 requirements for tow trucks; altering certain penalties for certain violations
25 related to tow truck vehicle registration; providing for the statewide application
26 of certain provisions of law governing the towing or removal of vehicles from
27 parking lots; altering the content required on certain signage related to the
28 towing, recovery, and storage of vehicles; altering the maximum distance that,
29 and the locations to which, a vehicle towed from a parking lot may be
30 transported for storage, subject to a certain exception; altering certain
31 maximum amounts that a person may charge for towing, recovering, and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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 certain manners under certain circumstances and to make an automatic teller machine available on the 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, recovery, 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.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 16–202(c) and 16–207
Annotated Code of Maryland
(2005 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, without amendments,
Article – Commercial Law
Section 16–206
Annotated Code of Maryland
(2005 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 11–152, 13–506(b), (e), and (f), 13–507(b), 13–920, 21–10A–01 through 21–10A–06, and 27–101(c)
Annotated Code of Maryland
(2009 Replacement Volume and 2010 Supplement)

BY adding to
Article – Transportation
Section 13–506(e)
Annotated Code of Maryland

(2009 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 13–507(a)(1) and (2) and 27–101(a) and (b)
Annotated Code of Maryland
(2009 Replacement Volume and 2010 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That the Laws of Maryland read as follows:

Article – Commercial Law

16–202.

(c) (1) 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 for the motor vehicle, has a lien on the motor vehicle for any charge incurred for any:

(i) Repair or rebuilding;

(ii) Storage; or

(iii) Tires or other parts or accessories.

(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.

(3) FOR A MOTOR VEHICLE WITH A GROSS VEHICLE WEIGHT RATING OF 10,000 POUNDS OR LESS, ANY PERSON WHO TOWS OR REMOVES FROM A PARKING LOT MOTOR VEHICLES ON BEHALF OF A PRIVATE PARKING LOT OWNER OR AGENT IN ACCORDANCE WITH TITLE 21, SUBTITLE 10A OF THE TRANSPORTATION ARTICLE HAS A LIEN ON THE MOTOR VEHICLE FOR ANY CHARGE INCURRED FOR THE TOWING, RECOVERY, OR STORAGE OF, AND PROVIDING ANY REQUIRED NOTICE REGARDING, THAT MOTOR VEHICLE.

16–206.

(a) (1) If the owner of property subject to a lien disputes any part of the charge for which the lien is claimed, he may institute appropriate judicial proceedings.

(2) Institution of the proceedings stays execution under the lien until a final judicial determination of the dispute.

(b) (1) If the owner of property subject to a lien disputes any part of the charge for which the lien is claimed, he immediately may repossess his property by filing a corporate bond for double the amount of the charge claimed.

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.

4 (3) The bond shall be conditioned on:

5 (i) Full payment of the final judgment of the claim, together
6 with interest;

7 (ii) All costs incident to the bringing of suit; and

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 (4) Filing of the bond stays execution under the lien until final judicial
11 determination of the dispute.

12 (5) 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 (6) If suit is not instituted by the lienor within six months after the
16 bond is filed, the bond is discharged.

17 16–207.

18 (a) **(1) [If] SUBJECT TO SUBSECTION (G) OF THIS SECTION WITH**
19 **RESPECT TO MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE LIENS, AND**
20 **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF** the charges
21 which give rise to a lien are due and unpaid for 30 days and the lienor is in possession
22 of the property subject to the lien, the lienor may sell the property to which the lien
23 attaches at public sale. The sale shall be in a location convenient and accessible to the
24 public and shall be held between the hours of 10 a.m. and 6 p.m.

25 **(2) A MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE**
26 **LIENOR MAY NOT SELL THE MOTOR VEHICLE TO WHICH THE LIEN IS ATTACHED**
27 **UNLESS:**

28 **(I) THE LOCAL JURISDICTION IN WHICH THE MOTOR**
29 **VEHICLE WAS ACQUIRED LICENSES TOW TRUCK OPERATORS; AND**

30 **(II) THE LIENOR IS LICENSED FOR THE TOWING AND**
31 **REMOVAL OF MOTOR VEHICLES BY THAT LOCAL JURISDICTION.**

1 **(3) A MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE**
2 **LIENOR MAY ONLY SELL A MOTOR VEHICLE TO WHICH A LIEN IS ATTACHED**
3 **THROUGH A LICENSED DEALER OR AN AUCTIONEER.**

4 **(4) (I) IF A MOTOR VEHICLE TOWING, RECOVERY, AND**
5 **STORAGE LIENOR SELLS A MOTOR VEHICLE TO WHICH A LIEN IS ATTACHED, THE**
6 **LIENOR SHALL RETURN ANY REGISTRATION PLATES FOR THE MOTOR VEHICLE**
7 **IN ITS 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.**

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
24 of reasonable diligence; 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
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, RECOVERY, 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 PERFECTED SECURED PARTY;**

33 **(2) ANY REQUIRED NEWSPAPER PUBLICATION SHALL BE:**

34 **(I) PUBLISHED ONCE A WEEK FOR THE 3 WEEKS**
35 **IMMEDIATELY PRECEDING THE PUBLIC SALE; AND**

1 **(II) PUBLISHED IN A NEWSPAPER OF GENERAL**
2 **CIRCULATION IN THE COUNTY IN 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) IF THE ADDRESS OF THE OWNER IS UNKNOWN AND**
10 **CANNOT BE DETERMINED BY THE EXERCISE OF REASONABLE DILIGENCE, THE**
11 **PERSON WHO INCURRED THE CHARGES THAT GIVE RISE TO THE LIEN;**

12 **(4) THE NOTICE SHALL:**

13 **(I) STATE THAT THE MOTOR VEHICLE HAS BEEN TAKEN**
14 **INTO CUSTODY;**

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**

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**

25 **(5) THE LIENOR SHALL PUBLISH ELECTRONIC NOTICE OF THE**
26 **PUBLIC SALE ON A WEB SITE DETERMINED BY REGULATIONS OF THE MOTOR**
27 **VEHICLE ADMINISTRATION.**

28 (c) If a motor vehicle or mobile home which is subject to a lien is delivered by
29 the lienor to the possession of a third party for storage, and the charges for storage are
30 due and unpaid for 30 days or more, the third party holder is deemed to hold a
31 perfected security interest in the motor vehicle or mobile home notwithstanding §
32 13-202 of the Transportation Article and may sell the motor vehicle or mobile home in

1 the same manner as the lienor under this section if he has first published and sent
2 notice as required of the lienor under this subtitle.

3 (d) (1) Except as provided in § 13–110 of the Transportation Article **AND**
4 **SUBSECTION (D–1) OF THIS SECTION**, the Motor Vehicle Administration shall issue
5 a **CERTIFICATE OF** title, free and clear of any lien, to the purchaser of any motor
6 vehicle or mobile home sold under this section, if the holder of the lien on the motor
7 vehicle or mobile home submits to the Motor Vehicle Administration a completed
8 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
17 subsection (b) of this section to be sent to the owner of the motor vehicle or mobile
18 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;

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.

31 **(D–1) THE MOTOR VEHICLE ADMINISTRATION SHALL ISSUE A SALVAGE**
32 **CERTIFICATE, FREE AND CLEAR OF ANY LIEN, TO THE PURCHASER OF ANY**
33 **MOTOR VEHICLE SOLD UNDER THIS SECTION THAT IS SUBJECT TO A MOTOR**
34 **VEHICLE TOWING, RECOVERY, AND STORAGE LIEN, IF THE HOLDER OF THE LIEN**

1 ON THE 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
4 APPLICATION FOR A CERTIFICATE OF TITLE UNDER SUBSECTION (D)(1)(I)
5 THROUGH (VI) OF THIS SECTION;

6 (2) A DIGITAL IMAGE OF THE VEHICLE IDENTIFICATION NUMBER
7 OR A STATEMENT CERTIFYING THE VEHICLE IDENTIFICATION NUMBER;

8 (3) A COPY OF THE NATIONWIDE VEHICLE HISTORY REPORT;

9 (4) IN THE CASE OF A MOTOR VEHICLE BEING PURCHASED BY A
10 NONINDIVIDUAL, THE FEDERAL TAX IDENTIFICATION NUMBER OR THE
11 MARYLAND COMPTROLLER TAX IDENTIFICATION NUMBER;

12 (5) THE DRIVER'S LICENSE OR IDENTIFICATION NUMBER AND
13 STATE OF ISSUANCE OF THE PERSON APPLYING FOR THE SALVAGE
14 CERTIFICATE; AND

15 (6) ANY OTHER REASONABLE INFORMATION REQUIRED IN
16 ACCORDANCE WITH REGULATIONS ADOPTED BY THE MOTOR VEHICLE
17 ADMINISTRATION.

18 (e) (1) If the notice required under § 16–203(b) of this subtitle was sent,
19 the proceeds of a sale under this section shall be applied, in the following order, to:

20 (i) The expenses of giving notice and holding the sale, including
21 reasonable attorney's fees;

22 (ii) Subject to subsection (f) of this section, storage fees of the
23 third party holder;

24 (iii) The amount of the lien claimed exclusive of any storage fees
25 except as provided in subsection (f)(2) of this section;

26 (iv) A purchase money security interest; and

27 (v) Any remaining secured parties of record who shall divide the
28 remaining balance equally if there are insufficient funds to completely satisfy their
29 respective interests, but not to exceed the amount of a security interest.

30 (2) Except as provided in paragraph (3) of this subsection, if the notice
31 required under § 16–203(b) of this subtitle was not sent, the proceeds of a sale under
32 this section shall be applied, in the following order, to:

- 1 (i) A purchase money security interest;
- 2 (ii) All additional holders of perfected security interests in the
3 property;
- 4 (iii) The expenses of giving notice and holding the sale, including
5 reasonable attorney's fees;
- 6 (iv) Subject to subsection (f) of this section, storage fees of the
7 third party holder;
- 8 (v) The amount of the lien claimed exclusive of any storage fees
9 except as provided in subsection (f)(2) of this section;
- 10 (vi) Any remaining secured parties of record who shall divide the
11 remaining balance equally if there are insufficient funds to completely satisfy their
12 respective interest, but not to exceed the amount of a security interest.
- 13 (3) For a motor vehicle lien created under this subtitle, if the notice
14 required under § 16–203(b) of this subtitle was not sent:
- 15 (i) The proceeds of a sale under this section shall be applied in
16 the order described in paragraph (1) of this subsection; and
- 17 (ii) The amount of the lien claimed in paragraph (1)(iii) of this
18 subsection may not include any amount for storage charges incurred or imposed by the
19 lienor.
- 20 (4) After application of the proceeds in accordance with paragraph (1)
21 or (2) of this subsection, any remaining balance shall be paid to the owner of the
22 property.
- 23 (f) (1) **[If] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**
24 **SUBSECTION, IF** property is stored, storage fees of the third party holder may not
25 exceed \$5 per day or a total of \$300.
- 26 (2) The exclusion or limitation of any storage fees as provided in
27 subsections (e)(1)(iii) and (f)(1) of this section does not apply to any person who
28 conducts auctions as a business in this State, and is required to maintain records
29 under § 15–113 in the Transportation Article, and that person is also exempt from the
30 maximum storage fee limits under this subsection.
- 31 (3) The notice requirements of § 16–203(b) of this subtitle do not apply
32 when:
- 33 (i) The lienor conducts auctions as a business in this State and
34 is required to maintain records under § 15–113 of the Transportation Article; and

(ii) The lien arises out of that business.

(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.

(G) FOR A MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE LIEN ON A MOTOR VEHICLE THAT HAS AN AVERAGE WHOLESALE VALUE OF MORE THAN \$5,000 AS SHOWN IN A NATIONAL PUBLICATION OF USED MOTOR VEHICLE VALUES ADOPTED FOR USE BY THE MOTOR VEHICLE ADMINISTRATION, THE LIENOR SHALL:

(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

(2) PROPERLY JOIN ALL PARTIES IN THE ACTION, INCLUDING ANY SECURED PARTY AND INSURER OF RECORD.

(H) A PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION THAT GOVERN A MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE LIEN IS SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

Article – Transportation

11–152.

(a) “Salvage” means any vehicle that:

(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, as determined under § 13–506(c)(4) of this article;

(2) Has been acquired by an insurance company as a result of a claim settlement; [or]

(3) Has been acquired by an automotive dismantler and recycler:

(i) As an abandoned vehicle, as defined under § 25–201 of this article; or

(ii) For rebuilding or for use as parts only; **OR**

(4) HAS BEEN ACQUIRED AT A PUBLIC SALE:

**(I) FOR ABANDONED VEHICLES UNDER TITLE 25,
SUBTITLE 2 OF THIS ARTICLE; OR**

**(II) FOR VEHICLES SUBJECT TO A MOTOR VEHICLE TOWING,
RECOVERY, AND STORAGE LIEN UNDER § 16–207 OF THE COMMERCIAL LAW
ARTICLE.**

(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.

13–506.

(b) The Administration shall issue a salvage certificate:

(1) To an insurance company or its authorized agent that:

(i) Is licensed to insure automobiles in this State;

(ii) Acquires a vehicle as the result of a claim settlement; and

(iii) Within 10 days after the date of settlement, applies for a salvage certificate as provided in subsection (c) of this section;

(2) To an automotive dismantler and recycler that:

(i) Acquires a salvage vehicle from a source other than an insurance company licensed to insure automobiles in this State;

(ii) Acquires a salvage vehicle by a means other than a transfer of a salvage certificate; and

(iii) Applies for a salvage certificate as provided in subsection (d) of this section; [or]

(3) TO A PERSON WHO:

(I) ACQUIRES AT A PUBLIC SALE:

**1. AN ABANDONED VEHICLE UNDER TITLE 25,
SUBTITLE 2 OF THIS ARTICLE; OR**

2. A VEHICLE THAT IS SUBJECT TO A MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE LIEN UNDER § 16-207 OF THE COMMERCIAL LAW ARTICLE; AND

(II) APPLIES FOR A SALVAGE CERTIFICATE AS PROVIDED IN SUBSECTION (E) OF THIS SECTION.

(4) To any other person who:

(i) Acquires or retains ownership of a vehicle that is salvage, as defined in § 11-152 of this article;

(ii) Applies for a salvage certificate on a form provided by the Administration; and

(iii) Pays a fee established by the Administration.

(E) (1) A PERSON WHO ACQUIRES A VEHICLE AT A PUBLIC SALE DESCRIBED IN SUBSECTION (B)(3)(I) OF THIS SECTION MAY APPLY FOR A SALVAGE CERTIFICATE ON A FORM PROVIDED BY THE ADMINISTRATION.

(2) THE APPLICATION UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ACCOMPANIED BY:

(I) THE DOCUMENT THROUGH WHICH OWNERSHIP OF THE VEHICLE WAS ACQUIRED;

(II) FOR A VEHICLE THAT WAS SUBJECT TO A MOTOR VEHICLE TOWING, RECOVERY, AND STORAGE LIEN, DOCUMENTATION REQUIRED UNDER § 16-207(D-1) OF THE COMMERCIAL LAW ARTICLE; AND

(III) A FEE ESTABLISHED BY THE ADMINISTRATION.

[(e)] (F) The Administration shall maintain records to indicate that a vehicle:

(1) Was transferred as salvage; and

(2) May not be titled or registered for operation in this State except in accordance with § 13-506.1 and § 13-507 of this subtitle.

[(f)] (G) The Administration shall establish a fee for:

(1) A duplicate salvage certificate; and

(2) A corrected salvage certificate.

13-507.

(a) (1) An application for a certificate of title of a vehicle for which a salvage certificate has been issued shall be made by the owner of the vehicle on a form that the Administration requires.

(2) An application under paragraph (1) of this subsection shall be accompanied by:

(i) Except as provided in subsection (c)(3) of this section, the salvage certificate for the vehicle;

(ii) A certificate of inspection issued by a county police department or the Department of State Police; and

(iii) A certificate of inspection as required under Title 23 of this article.

(b) (1) The certificate of title issued by the Administration shall be:

(i) Issued in the name of the applicant; and

(ii) In a form as provided in this subsection.

(2) (i) The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle is “rebuilt salvage” if the salvage certificate accompanying the application bears a notation under § 13-506(c)(2)(ii)1 of this subtitle.

(ii) The Administration may not issue a certificate of title for a vehicle if the salvage certificate for the vehicle bears a notation under § 13-506(c)(2)(ii)2 of this subtitle.

(3) The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle is “Flood Damaged” if the salvage certificate accompanying the application bears a notation under § 13-506(c)(2)(ii)4 of this subtitle.

(4) The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle is “X-Salvage” if the salvage certificate accompanying the application bears a notation under § 13-506(c)(2)(ii)5 of this subtitle or is issued under § 13-506(d) **OR (E)** of this subtitle.

13-920.

(a) (1) In this section, “tow truck” means a vehicle that:

(i) Is a Class E (truck) vehicle that is designed to lift, pull, or carry a vehicle by a hoist or mechanical apparatus;

(ii) Has a manufacturer’s gross vehicle weight rating of 10,000 pounds or more; and

(iii) Is equipped as a tow truck or designed as a rollback as defined in § 11–151.1 of this article.

(2) In this section, “tow truck” does not include a truck tractor as defined in § 11–172 of this article.

(b) When registered with the Administration every tow truck as defined in this section is a Class T vehicle.

(c) A tow truck registered under this section may be used to tow vehicles for repair, storage, or removal from the highway.

(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:

| Manufacturer’s Gross Weight Rating (in Pounds) | Fee |
|---------------------------------------------------|----------|
| 10,000 (or less) to 26,000 | \$185.00 |
| More than 26,000 | \$550.00 |

(2) (i) The annual registration fee for a vehicle registered under this section that is used for any purpose other than that described in subsection (c) of this section shall be determined under subparagraph (ii) of this paragraph if the maximum gross weight of the vehicle or combination of vehicles:

1. Exceeds 18,000 pounds and the vehicle has a manufacturer’s gross weight rating of 26,000 pounds or less; or

2. Exceeds 35,000 pounds and the vehicle has a manufacturer’s gross weight rating of more than 26,000 pounds.

(ii) The annual registration fee shall be the greater of:

1. The fees set forth in paragraph (1) of this subsection;
or

2. The fees set forth in § 13–916(b) of this subtitle.

(e) 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 vehicle combination on a highway for safety reasons if:

(1) The tow truck and the vehicle or vehicle combination being towed comply with all applicable statutory weight and size restrictions under Title 24 of this article when measured or weighed separately; and

(2) The vehicle or vehicle combination is being towed by the safest and shortest practical route possible to the vehicle's destination.

(f) Notwithstanding any other provision of this section, while engaged in towing, a tow truck registered under this section is subject to:

(1) Weight restrictions imposed on restricted bridges; and

(2) All applicable statutory weight and size restrictions under Title 24 of this article while being operated within the limits of Baltimore City, unless the vehicle is being operated on an interstate highway.

(g) Except for tow trucks operated by dealers, automotive dismantlers and recyclers, and scrap processors displaying special registration plates issued under this title, the vehicle shall display a distinctive registration plate as authorized by the Administration.

(h) Subject to § 25–111.1 of this article, a person who registers a tow truck under this section, **INCLUDING A DEALER, AN AUTOMOTIVE DISMANTLER AND RECYCLER, OR A SCRAP PROCESSOR WHO OPERATES A TOW TRUCK IN THE STATE, or A PERSON WHO** operates a tow truck in this State that is registered under the laws of another state, shall:

(1) Obtain commercial liability insurance in the amount [of at least \$100,000 per person, \$300,000 per occurrence bodily injury liability, and \$100,000 per occurrence property damage liability] **REQUIRED BY FEDERAL LAW FOR TRANSPORTING PROPERTY IN INTERSTATE OR FOREIGN COMMERCE**; and

(2) Provide a federal employer identification number and, if applicable to the tow truck under federal requirements:

(i) A U.S. Department of Transportation motor carrier number;
or

(ii) An Interstate Commerce Commission motor carrier authority number.

(i) (1) Except as provided under paragraph (2) of this subsection, a person may not operate a rollback in combination with a vehicle being towed unless the rollback is registered as a tow truck.

(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.

(j) (1) This subsection applies only to a vehicle required to be registered in the State.

(2) A person may not operate a tow truck for hire unless the tow truck is registered under this section.

(3) **(I)** A person convicted of operating a tow truck in violation of this subsection shall be subject to a fine [of up to] **NOT EXCEEDING \$3,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.**

(II) A TOW TRUCK THAT IS IMPROPERLY REGISTERED OR UNREGISTERED SHALL BE IMPOUNDED.

21–10A–01.

(a) In this subtitle, “parking lot” means a privately owned facility consisting of 3 or more spaces for motor vehicle parking that is:

(1) Accessible to the general public; and

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

(b) (1) This subtitle applies only to the towing or removal of vehicles from parking lots [in Baltimore City or Baltimore County].

(2) Nothing in this subtitle prevents a local authority from exercising any power to adopt [ordinances] **LOCAL LAWS** or regulations relating to the registration or licensing of persons engaged in, **OR OTHERWISE REGULATING IN A MORE STRINGENT MANNER,** the parking, towing or removal, or impounding of vehicles.

(c) This subtitle does not apply to an abandoned vehicle as defined in § 25–201 of this article.

21–10A–02.

(a) The owner or operator of a parking lot or the owner’s or operator’s agent may not have a vehicle towed or otherwise removed from the parking lot unless the

owner, operator, or agent has placed in conspicuous locations, as described in subsection (b) of this section, signs that:

(1) Are at least 24 inches high and 30 inches wide;

(2) Are clearly visible to the driver of a motor vehicle entering or being parked in the parking lot;

(3) State the location to which the vehicle will be towed or removed
AND THE NAME OF THE TOWING COMPANY;

(4) State [the hours during which the vehicle may be reclaimed] **THAT STATE LAW REQUIRES THAT THE VEHICLE BE AVAILABLE FOR RECLAMATION 24 HOURS PER DAY, 7 DAYS PER WEEK;**

(5) State the maximum amount that the owner of the vehicle may be charged for the towing or removal of the vehicle; and

(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.

(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.

21-10A-03.

(A) A vehicle may not be towed or otherwise removed from a parking lot to a location that is [more]:

(1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, MORE than [10] 15 miles from the parking lot; OR

(2) OUTSIDE OF THE STATE.

(B) A LOCAL JURISDICTION MAY ESTABLISH A MAXIMUM DISTANCE FROM A PARKING LOT TO A TOWED VEHICLE STORAGE FACILITY THAT IS DIFFERENT THAN THAT ESTABLISHED UNDER SUBSECTION (A)(1) OF THIS SECTION.

21-10A-04.

[A] UNLESS OTHERWISE SET BY LOCAL LAW, A person who undertakes the towing or removal of a vehicle from a parking lot:

(1) May not charge the owner of the [vehicle or] **VEHICLE**, the owner's agent, **THE INSURER OF RECORD, OR ANY SECURED PARTY MORE THAN:**

1 (i) [More than twice] **TWICE** the amount of the total fees
2 normally charged or authorized by the political subdivision for the **PUBLIC SAFETY**
3 impound towing of vehicles; [and]

4 (ii) [Except as provided in] **NOTWITHSTANDING** § 16–207(f)(1)
5 of the Commercial Law Article, [more than \$8 per day for storage] **THE FEE**
6 **NORMALLY CHARGED OR AUTHORIZED BY THE POLITICAL SUBDIVISION FROM**
7 **WHICH THE VEHICLE WAS TOWED FOR THE DAILY STORAGE OF IMPOUNDED**
8 **VEHICLES;**

9 (iii) **IF A POLITICAL SUBDIVISION DOES NOT ESTABLISH A**
10 **FEE LIMIT FOR THE PUBLIC SAFETY TOWING, RECOVERY, OR STORAGE OF**
11 **IMPOUNDED VEHICLES, \$300 FOR TOWING AND RECOVERING A VEHICLE AND**
12 **\$30 PER DAY FOR VEHICLE STORAGE;**

13 (iv) **THE ACTUAL COST OF PROVIDING NOTICE UNDER THIS**
14 **SECTION AND § 16–207 OF THE COMMERCIAL LAW ARTICLE; AND**

15 (v) **FOR A VEHICLE WITH A GROSS VEHICLE WEIGHT**
16 **RATING OF 10,000 POUNDS OR LESS, \$1,200 FOR THE TOTAL OF ALL COSTS**
17 **RELATED TO VEHICLE TOWING, RECOVERY, AND STORAGE AS CALCULATED**
18 **UNDER THIS SECTION;**

19 (2) Shall notify the police department in the jurisdiction where the
20 parking lot is located within [two hours] **1 HOUR** after towing or removing the vehicle
21 from the parking lot, and shall provide the following information:

22 (i) A description of the vehicle including the vehicle's
23 registration plate number and vehicle identification number;

24 (ii) The date and time the vehicle was towed or removed;

25 (iii) The reason the vehicle was towed or removed; and

26 (iv) The locations from which and to which the vehicle was
27 towed or removed;

28 (3) **SHALL NOTIFY THE OWNER, ANY SECURED PARTY, AND THE**
29 **INSURER OF RECORD BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND**
30 **FIRST-CLASS MAIL WITHIN 72 HOURS AFTER TOWING OR REMOVING THE**
31 **VEHICLE, AND SHALL PROVIDE THE SAME INFORMATION REQUIRED IN A NOTICE**
32 **TO A POLICE DEPARTMENT UNDER ITEM (2) OF THIS SECTION;**

1 (4) **SHALL PROVIDE TO THE OWNER, ANY SECURED PARTY, AND**
2 **THE INSURER OF RECORD THE ITEMIZED ACTUAL COSTS OF PROVIDING NOTICE**
3 **UNDER THIS SECTION AND § 16–207 OF THE COMMERCIAL LAW ARTICLE;**

4 [(3)] (5) Before towing or removing the vehicle, shall have
5 authorization of the parking lot owner which shall include:

6 (i) The name of the person authorizing the tow or removal;
7 [and]

8 (ii) A statement that the vehicle is being towed or removed at
9 the request of the parking lot owner; **AND**

10 **(III) PHOTOGRAPHIC EVIDENCE OF THE VIOLATION OR**
11 **EVENT THAT PRECIPITATED THE TOWING OF THE VEHICLE;**

12 [(4)] (6) Shall obtain commercial liability insurance in the amount
13 [of at least \$20,000 per occurrence] **REQUIRED BY FEDERAL LAW FOR**
14 **TRANSPORTING PROPERTY IN INTERSTATE OR FOREIGN COMMERCE** to cover the
15 cost of any damage to the vehicle resulting from the person's negligence;

16 [(5) Shall obtain a surety bond in the amount of \$20,000 to guarantee
17 payment of any liability incurred under this subtitle;

18 (6)] (7) May not employ **OR OTHERWISE COMPENSATE**
19 individuals, commonly referred to as “spotters”, whose primary task is to report the
20 presence of unauthorized parked vehicles for the purposes of towing or removal, and
21 impounding; [and]

22 [(7)] (8) May not pay any remuneration to the owner, **AGENT, OR**
23 **EMPLOYEE** of the parking lot; **AND**

24 **(9) MAY NOT TOW A VEHICLE SOLELY FOR A VIOLATION OF**
25 **FAILURE TO DISPLAY A VALID CURRENT REGISTRATION UNDER § 13–411 OF**
26 **THIS ARTICLE UNTIL 72 HOURS AFTER A NOTICE OF VIOLATION IS PLACED ON**
27 **THE VEHICLE.**

28 21–10A–05.

29 **(A) [If] SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF** a vehicle is
30 towed or otherwise removed from a parking lot, the person in possession of the vehicle
31 [shall]:

32 (1) [Immediately] **SHALL IMMEDIATELY** deliver the vehicle directly
33 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]

(2) MAY NOT MOVE THE TOWED VEHICLE FROM THAT STORAGE
FACILITY TO ANOTHER STORAGE FACILITY FOR AT LEAST 72 HOURS; AND

(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.

(B) BEFORE A VEHICLE IS REMOVED FROM A PARKING LOT, A TOWER
WHO POSSESSES THE VEHICLE SHALL RELEASE THE VEHICLE TO THE OWNER OR
AN AGENT OF THE OWNER:

(1) IF THE OWNER OR AGENT REQUESTS THAT THE TOWER
RELEASE THE VEHICLE;

(2) IF THE VEHICLE CAN BE DRIVEN UNDER ITS OWN POWER;

(3) WHETHER OR NOT THE VEHICLE HAS BEEN LIFTED OFF THE
GROUND; AND

(4) IF THE OWNER OR AGENT PAYS A DROP FEE TO THE TOWER IN
AN AMOUNT NOT EXCEEDING 50% OF THE COST OF A FULL TOW.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A
STORAGE FACILITY THAT IS IN POSSESSION OF A TOWED VEHICLE SHALL:

(I) ACCEPT PAYMENT FOR OUTSTANDING TOWING,
RECOVERY, OR STORAGE CHARGES BY CASH OR AT LEAST TWO MAJOR,
NATIONALLY RECOGNIZED CREDIT CARDS; AND

(II) IF THE STORAGE FACILITY ACCEPTS ONLY CASH, HAVE
AN OPERABLE AUTOMATIC TELLER MACHINE AVAILABLE ON THE PREMISES.

(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
PARAGRAPH, IF A STORAGE FACILITY IS UNABLE TO PROCESS A CREDIT CARD
PAYMENT AND DOES NOT HAVE AN OPERABLE AUTOMATIC TELLER MACHINE ON
THE PREMISES, THE STORAGE FACILITY SHALL ACCEPT A PERSONAL CHECK AS
PAYMENT FOR OUTSTANDING TOWING, RECOVERY, AND STORAGE CHARGES.

(II) A STORAGE FACILITY MAY REFUSE TO ACCEPT A
PERSONAL CHECK AS PAYMENT IF IT IS UNABLE TO PROCESS A CREDIT CARD

1 FOR THE PAYMENT BECAUSE USE OF THE CREDIT CARD HAS BEEN DECLINED BY
2 THE CREDIT CARD COMPANY.

3 (3) A STORAGE FACILITY THAT IS IN POSSESSION OF A TOWED
4 VEHICLE SHALL MAKE THE VEHICLE AVAILABLE TO THE OWNER, THE OWNER'S
5 AGENT, THE INSURER OF RECORD, OR A SECURED PARTY, UNDER THE
6 SUPERVISION OF THE STORAGE FACILITY, FOR:

7 (I) INSPECTION; OR

8 (II) RETRIEVAL FROM THE VEHICLE OF PERSONAL
9 PROPERTY THAT IS NOT ATTACHED TO THE VEHICLE.

10 21-10A-06.

11 Any person who undertakes the towing or removal of a vehicle from a parking
12 lot in violation of any provision of this subtitle:

13 (1) Shall be liable for actual damages sustained by any person as a
14 direct result of the violation; and

15 (2) Shall be liable to the vehicle owner, **A SECURED PARTY, AN**
16 **INSURER, OR A SUCCESSOR IN INTEREST** for triple the amount paid by the owner or
17 the owner's agent to retake possession of the vehicle.

18 27-101.

19 (a) It is a misdemeanor for any person to violate any of the provisions of the
20 Maryland Vehicle Law unless the violation:

21 (1) Is declared to be a felony by the Maryland Vehicle Law or by any
22 other law of this State; or

23 (2) Is punishable by a civil penalty under the applicable provision of
24 the Maryland Vehicle Law.

25 (b) Except as otherwise provided in this section, any person convicted of a
26 misdemeanor for the violation of any of the provisions of the Maryland Vehicle Law is
27 subject to a fine of not more than \$500.

28 (c) Any person who is convicted of a violation of any of the provisions of the
29 following sections of this article is subject to a fine of not more than \$500 or
30 imprisonment for not more than 2 months or both:

31 (1) § 12-301(e) or (f) ("Special identification cards: Unlawful use of
32 identification card prohibited");

- 1 (2) § 14–102 (“Taking or driving vehicle without consent of owner”);
- 2 (3) § 14–104 (“Damaging or tampering with vehicle”);
- 3 (4) § 14–107 (“Removed, falsified, or unauthorized identification
4 number or registration card or plate”);
- 5 (5) § 14–110 (“Altered or forged documents and plates”);
- 6 (6) § 15–312 (“Dealers: Prohibited acts – Vehicle sales transactions”);
- 7 (7) § 15–313 (“Dealers: Prohibited acts – Advertising practices”);
- 8 (8) § 15–314 (“Dealers: Prohibited acts – Violation of licensing laws”);
- 9 (9) § 15–411 (“Vehicle salesmen: Prohibited acts”);
- 10 (10) § 15–502(c) (“Storage of certain vehicles by unlicensed persons
11 prohibited”);
- 12 (11) § 16–113(j) (“Violation of alcohol restriction”);
- 13 (12) § 16–301, except § 16–301(a) or (b) (“Unlawful use of license”);
- 14 (13) § 16–303(h) (“Licenses suspended under certain provisions of
15 Code”);
- 16 (14) § 16–303(i) (“Licenses suspended under certain provisions of the
17 traffic laws or regulations of another state”);
- 18 (15) § 18–106 (“Unauthorized use of rented motor vehicle”);
- 19 (16) § 20–103 (“Driver to remain at scene – Accidents resulting only in
20 damage to attended vehicle or property”);
- 21 (17) § 20–104 (“Duty to give information and render aid”);
- 22 (18) § 20–105 (“Duty on striking unattended vehicle or other property”);
- 23 (19) § 20–108 (“False reports prohibited”);
- 24 (20) § 21–206 (“Interference with traffic control devices or railroad
25 signs and signals”);
- 26 (21) As to a pedestrian in a marked crosswalk, § 21–502(a)
27 (“Pedestrians’ right-of-way in crosswalks: In general”), if the violation contributes to
28 an accident;

1 (22) As to another vehicle stopped at a marked crosswalk, § 21–502(c)
2 (“Passing of vehicle stopped for pedestrian prohibited”), if the violation contributes to
3 an accident;

4 (23) Except as provided in subsections (f) and (q) of this section, §
5 21–902(b) (“Driving while impaired by alcohol”);

6 (24) Except as provided in subsections (f) and (q) of this section, §
7 21–902(c) (“Driving while impaired by drugs or drugs and alcohol”);

8 (25) § 21–902.1 (“Driving within 12 hours after arrest”); [or]

9 (26) **TITLE 21, SUBTITLE 10A (“TOWING OR REMOVAL OF**
10 **VEHICLES FROM PARKING LOTS”); OR**

11 **(27)** § 27–107(d), (e), (f), or (g) (“Prohibited acts – Ignition interlock
12 systems”).

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2011.