

# SENATE BILL 521

R4

8lr0445

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By: **Senators Klausmeier, Middleton, and Smith**

Introduced and read first time: January 29, 2018

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Towing Companies – Disposal of Abandoned Vehicles**

3 FOR the purpose of authorizing the Motor Vehicle Administration to issue a salvage  
4 certificate to a towing company that takes possession of an abandoned vehicle under  
5 certain circumstances; requiring a towing company to provide certain notice in a  
6 certain manner to certain persons before applying for a salvage certificate for an  
7 abandoned vehicle; authorizing a towing company to apply for a salvage certificate  
8 on a certain form; requiring a certain application for a salvage certificate to be  
9 accompanied by certain documentation and a certain fee; providing for the  
10 application of certain provisions of this Act; altering a certain definition; and  
11 generally relating to the disposal of abandoned vehicles by towing companies.

12 BY repealing and reenacting, with amendments,  
13 Article – Transportation  
14 Section 11–152 and 13–506  
15 Annotated Code of Maryland  
16 (2012 Replacement Volume and 2017 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – Transportation  
19 Section 25–201(a) through (c)  
20 Annotated Code of Maryland  
21 (2012 Replacement Volume and 2017 Supplement)

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

24 **Article – Transportation**

25 11–152.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) "Salvage" means any vehicle that:

2 (1) Has been damaged by collision, fire, flood, accident, trespass, or other  
3 occurrence to the extent that the cost to repair the vehicle for legal operation on a highway  
4 exceeds 75% of the fair market value of the vehicle prior to sustaining the damage, as  
5 determined under § 13-506(c)(4) of this article;

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

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

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

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

12 **(4) CONSISTENT WITH § 13-506(D-1)(1) OF THIS ARTICLE, HAS BEEN**  
13 **TAKEN INTO POSSESSION BY A TOWING COMPANY AS AN ABANDONED VEHICLE, AS**  
14 **DEFINED IN § 25-201 OF THIS ARTICLE.**

15 (b) For purposes of this section, a vehicle has not been acquired by an insurance  
16 company if an owner retains possession of the vehicle upon settlement of a claim concerning  
17 the vehicle by the insurance company.

18 13-506.

19 (a) (1) A salvage certificate shall be issued in accordance with the provisions  
20 of this section.

21 (2) A salvage certificate issued under this section shall:

22 (i) Be issued in the name of the applicant; and

23 (ii) Serve as an ownership document.

24 (a-1) For purposes of this section, a vehicle has not been acquired by an insurance  
25 company if an owner retains possession of the vehicle upon settlement of a claim concerning  
26 the vehicle by the insurance company in accordance with § 13-506.1 of this subtitle.

27 (b) The Administration shall issue a salvage certificate:

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

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

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

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

4 (2) To an automotive dismantler and recycler that:

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

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

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

11 (3) **TO A TOWING COMPANY THAT:**

12 **(I) TAKES POSSESSION OF AN ABANDONED VEHICLE;**

13 **(II) PROVIDES THE OWNER AND ANY SECURED PARTY WITH 30**  
14 **DAYS AFTER THE DATE THAT NOTICE OF POSSESSION IS GIVEN UNDER SUBSECTION**  
15 **(D-1) OF THIS SECTION TO RECOVER THE ABANDONED VEHICLE; AND**

16 **(III) APPLIES FOR A SALVAGE CERTIFICATE AS PROVIDED IN**  
17 **SUBSECTION (D-1) OF THIS SECTION; OR**

18 (4) To any other person who:

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

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

23 (iii) Pays a fee established by the Administration.

24 (c) (1) For each vehicle that is acquired as a result of a claim settlement  
25 arising from an accident that occurred in the State, an insurance company or its authorized  
26 agent shall apply:

27 (i) For a salvage certificate on a form provided by the  
28 Administration for a vehicle titled in the State; or

29 (ii) Electronically for a salvage certificate for a vehicle titled in a  
30 foreign jurisdiction.

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

3                   (i)     The certificate of title of the vehicle or, if the certificate of title is  
4 defective, lost, or destroyed, an affidavit of ownership on a form and in a manner prescribed  
5 by the Administration and a copy of the settlement check or other evidence of final  
6 payment;

7                   (ii)    A statement by the insurance company that:

8                               1.     The cost to repair the vehicle for highway operation is  
9 greater than 75% of the fair market value of the vehicle prior to sustaining the damage for  
10 which the claim was paid and the vehicle is repairable;

11                               2.     The vehicle is not rebuildable, will be used for parts only,  
12 and is not to be retitled;

13                               3.     The vehicle has been stolen;

14                               4.     The vehicle has sustained flood damage; or

15                               5.     The vehicle has been acquired by an insurance company  
16 as a result of a claim settlement and the cost to repair the vehicle is 75% or less of the fair  
17 market value of the vehicle prior to sustaining the damage for which the claim was paid;  
18 and

19                   (iii)   A fee established by the Administration.

20                   (3)    Subject to the provisions of § 13–507(c)(2) of this subtitle, a salvage  
21 certificate issued under this paragraph shall contain a conspicuous notation by the  
22 Administration that describes which of the statements under paragraph (2)(ii) of this  
23 subsection applies to the vehicle.

24                   (4)    To determine the cost to repair a vehicle for highway operation for  
25 purposes of § 11–152 of this article and paragraph (2)(ii) of this subsection, a person may  
26 not use the cost of:

27                               (i)     Towing, storage, or vehicle rental; or

28                               (ii)    Repairing cosmetic damage.

29                   (5)    The calculation under the 75% cost of repair threshold under paragraph  
30 (2) of this subsection may not affect the right of an insurer or a vehicle owner to make an  
31 economic or safety related decision to not repair the vehicle.

32                   (6)    The Administration, in consultation with the Department of State

1 Police and other interested parties, shall adopt regulations to implement this subsection.

2 (d) (1) An automotive dismantler and recycler may apply for a salvage  
3 certificate on a form provided by the Administration.

4 (2) The application under paragraph (1) of this subsection shall be  
5 accompanied by:

6 (i) The document through which ownership of the vehicle was  
7 acquired; and

8 (ii) A fee established by the Administration.

9 **(D-1) (1) THIS SUBSECTION APPLIES ONLY TO:**

10 **(I) THE TOWING, RECOVERY, OR STORAGE OF A VEHICLE ON**  
11 **BEHALF OF A POLICE DEPARTMENT OR A GARAGE KEEPER; AND**

12 **(II) A TOWING COMPANY THAT USES ONLY TOW TRUCKS**  
13 **REGISTERED UNDER § 13-920 OF THIS TITLE.**

14 **(2) BEFORE APPLYING FOR A SALVAGE CERTIFICATE FOR AN**  
15 **ABANDONED VEHICLE UNDER THIS SUBSECTION, A TOWING COMPANY SHALL SEND**  
16 **A NOTICE, BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, BEARING A**  
17 **POSTMARK FROM THE UNITED STATES POSTAL SERVICE, TO:**

18 **(I) THE LAST KNOWN REGISTERED OWNER OF THE**  
19 **ABANDONED VEHICLE; AND**

20 **(II) EACH SECURED PARTY, AS SHOWN ON THE RECORDS OF THE**  
21 **ADMINISTRATION.**

22 **(3) THE NOTICE SHALL:**

23 **(I) STATE THAT THE ABANDONED VEHICLE HAS BEEN TAKEN**  
24 **INTO THE POSSESSION OF THE TOWING COMPANY;**

25 **(II) STATE THE YEAR, MAKE, MODEL, AND VEHICLE**  
26 **IDENTIFICATION NUMBER OF THE ABANDONED VEHICLE;**

27 **(III) GIVE THE LOCATION OF THE FACILITY WHERE THE**  
28 **ABANDONED VEHICLE IS HELD;**

29 **(IV) INFORM THE OWNER AND SECURED PARTY OF THE OWNER'S**

1 AND SECURED PARTY'S RIGHT TO RECLAIM THE ABANDONED VEHICLE WITHIN 30  
 2 DAYS AFTER THE DATE OF THE NOTICE, ON PAYMENT OF ALL TOWING, RECOVERY,  
 3 AND STORAGE CHARGES APPLICABLE TO THE ABANDONED VEHICLE OWED TO THE  
 4 TOWING COMPANY; AND

5 (V) STATE THAT THE FAILURE OF THE OWNER OR SECURED  
 6 PARTY TO EXERCISE THIS RIGHT IN THE TIME PROVIDED IS A WAIVER BY THE OWNER  
 7 OR SECURED PARTY OF ALL OF THE OWNER'S OR SECURED PARTY'S RIGHTS, TITLE,  
 8 AND INTEREST IN THE ABANDONED VEHICLE.

9 (4) A TOWING COMPANY MAY APPLY FOR A SALVAGE CERTIFICATE ON  
 10 A FORM PROVIDED BY THE ADMINISTRATION.

11 (5) THE APPLICATION SHALL BE ACCOMPANIED BY:

12 (I) COPIES OF ALL DOCUMENTATION OF NOTICE PROVIDED  
 13 UNDER THIS SUBSECTION; AND

14 (II) A FEE ESTABLISHED BY THE ADMINISTRATION.

15 (e) The Administration shall maintain records to indicate that a vehicle:

16 (1) Was transferred as salvage; and

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

19 (f) The Administration shall establish a fee for:

20 (1) A duplicate salvage certificate; and

21 (2) A corrected salvage certificate.

22 25-201.

23 (a) In this subtitle the following words have the meanings indicated.

24 (b) "Abandoned vehicle" means any motor vehicle, trailer, or semitrailer:

25 (1) That is inoperable and left unattended on public property for more than  
 26 48 hours;

27 (2) That has remained illegally on public property for more than 48 hours;

28 (3) That has remained on private property for more than 48 hours without

1 the consent of the owner or person in control of the property;

2 (4) That has remained in a garage for more than 10 days after the garage  
3 keeper has given the owner of the vehicle notice by certified mail, return receipt requested,  
4 bearing a postmark from the United States Postal Service, to remove the vehicle;

5 (5) That has remained in a garage for more than 10 days after the period  
6 when, by contract, the vehicle was to remain in the garage;

7 (6) That was left for more than 10 days in a garage by:

8 (i) Someone other than its registered owner; or

9 (ii) A person authorized to have possession of the vehicle under a  
10 contract of use, service, storage, or repair;

11 (7) That has remained on public property for more than 48 hours and:

12 (i) Is not displaying currently valid registration plates; or

13 (ii) Is displaying registration plates of another vehicle;

14 (8) That has been left unattended on any portion of a “controlled access  
15 highway” as defined in § 8–101(f) of this article for more than 24 hours;

16 (9) That has been left unattended on any portion of a primary or secondary  
17 highway or controlled access highway, as defined in § 8–101 of this article, and is in  
18 violation of any of the provisions of § 22–408 of this article; or

19 (10) That is not reclaimed as provided under § 27–111 of this article.

20 (c) “Garage” means any of the following, if operated for commercial purposes:

21 (1) A parking place or establishment;

22 (2) A vehicle storage facility; or

23 (3) An establishment for the servicing, repair, or maintenance of vehicles.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 October 1, 2018.