

HOUSE BILL 1330

R4

1lr2651

By: **Delegate Amprey**

Introduced and read first time: February 8, 2021

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Towing Charges and Abandoned Vehicles**

3 FOR the purpose of applying certain provisions regulating the towing or removal of vehicles
4 from parking lots to the towing and removal of vehicles from public rights of way;
5 altering the total amount that a person who tows or removes a vehicle may charge;
6 authorizing certain persons to sell at public auction an abandoned vehicle that is not
7 reclaimed in a certain manner and for which a certain certificate is issued; requiring
8 the seller of certain abandoned vehicles to reimburse themselves for certain costs
9 and dispose of the proceeds of the sale in a certain manner; authorizing certain
10 persons to apply to a certain law enforcement agency for authority to sell certain
11 abandoned vehicles at public auction; requiring, under certain circumstances,
12 certain law enforcement agencies to give certain applicants a certificate of authority
13 to sell certain abandoned vehicles at public auction; and generally related to towing
14 services and the sale of certain abandoned vehicles.

15 BY repealing and reenacting, with amendments,

16 Article – Transportation

17 Section 21–10A–04, 25–207, and 25–209

18 Annotated Code of Maryland

19 (2020 Replacement Volume)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

21 That the Laws of Maryland read as follows:

22 **Article – Transportation**

23 21–10A–04.

24 (a) Unless otherwise set by local law, a person who undertakes the towing or
25 removal of a vehicle from a parking lot **OR PUBLIC RIGHT–OF–WAY:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) May not charge the owner of the vehicle, the owner's agent, the insurer
2 of record, or any secured party more than:

3 (i) Twice the amount of the total fees normally charged or
4 authorized by the political subdivision for the public safety impound towing of vehicles,
5 **EXCLUDING ANY ADMINISTRATIVE FEES OR ADDITIONAL CHARGES OR FEES FOR**
6 **ADDITIONAL SERVICES RELATED TO THE TOWING;**

7 (ii) Notwithstanding § 16–207(f)(1) of the Commercial Law Article,
8 the fee normally charged or authorized by the political subdivision from which the vehicle
9 was towed for the daily storage of impounded vehicles;

10 (iii) If a political subdivision does not establish a fee limit for the
11 public safety towing, recovery, or storage of impounded vehicles, \$250 for towing and
12 recovering a vehicle and \$30 per day for vehicle storage; and

13 (iv) Subject to subsection (b) of this section, the actual cost of
14 providing notice under this section;

15 (2) Shall notify the police department in the jurisdiction where the parking
16 lot is located within 1 hour after towing or removing the vehicle from the parking lot, and
17 shall provide the following information:

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

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

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

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

24 (3) Shall notify the owner, any secured party, and the insurer of record by
25 certified mail, return receipt requested, and first-class mail within 7 days, exclusive of days
26 that the towing business is closed, after towing or removing the vehicle, and shall provide
27 the same information required in a notice to a police department under item (2) of this
28 subsection;

29 (4) Shall provide to the owner, any secured party, and the insurer of record
30 the itemized actual costs of providing notice under this section;

31 (5) Before towing or removing the vehicle, shall have authorization of the
32 parking lot owner which shall include:

33 (i) The name of the person authorizing the tow or removal;

1 (ii) A statement that the vehicle is being towed or removed at the
2 request of the parking lot owner; and

3 (iii) Photographic evidence of the violation or event that precipitated
4 the towing of the vehicle;

5 (6) Shall obtain commercial liability insurance in the amount required by
6 federal law for transporting property in interstate or foreign commerce to cover the cost of
7 any damage to the vehicle resulting from the person's negligence;

8 (7) May not employ or otherwise compensate individuals, commonly
9 referred to as "spotters", whose primary task is to report the presence of unauthorized
10 parked vehicles for the purposes of towing or removal, and impounding;

11 (8) May not pay any remuneration to the owner, agent, or employee of the
12 parking lot; and

13 (9) May not tow a vehicle solely for a violation of failure to display a valid
14 current registration under § 13-411 of this article until 72 hours after a notice of violation
15 is placed on the vehicle.

16 (b) A person may not charge for the actual cost of providing notice under
17 subsection (a)(1)(iv) of this section if the vehicle owner, the owner's agent, the insurer of
18 record, or any secured party retakes possession of the vehicle within 48 hours after the
19 vehicle was received at the storage facility.

20 (c) The Administration shall:

21 (1) Establish and maintain a database containing the proper address for
22 providing notice to an insurer under subsection (a)(3) of this section for each insurer
23 authorized to write a vehicle liability insurance policy in the State; and

24 (2) Make the database available to any tower free of charge.

25 25-207.

26 (a) **(1)** Except as provided in subsection (e) of this section, if an abandoned
27 vehicle is not reclaimed as provided for in this subtitle, the police department shall sell the
28 vehicle at public auction.

29 **(2) A PERSON ON WHOSE PROPERTY AN ABANDONED VEHICLE IS**
30 **FOUND MAY SELL THE VEHICLE AT PUBLIC AUCTION IF:**

31 **(1) THE VEHICLE IS NOT RECLAIMED AS PROVIDED FOR IN THIS**
32 **SUBTITLE; AND**

1 (II) A CERTIFICATE OF AUTHORITY IS ISSUED FOR THE VEHICLE
2 UNDER § 25-209 OF THIS SUBTITLE.

3 (b) The buyer of the vehicle at auction:

4 (1) Takes ownership of the vehicle free and clear of any claim of ownership
5 or lien of any other person;

6 (2) Is entitled to a sales receipt, on a form that is approved by the
7 Administration, from the police department;

8 (3) Is entitled to obtain a salvage certificate for the vehicle; and

9 (4) May obtain a certificate of title under § 13-507 of this article.

10 (c) The sales receipt, on a form that is approved by the Administration, is
11 sufficient title for transferring the vehicle to an automotive dismantler and recycler or scrap
12 processor for dismantling, destroying, or scrapping, in which case, a certificate of title is
13 not required.

14 (d) Except as otherwise provided in this subtitle:

15 (1) From the proceeds of the sale of an abandoned vehicle, the [police
16 department] **SELLER** shall reimburse itself for the costs of towing, preserving, and storing
17 the vehicle and the expenses of the auction, including all notice and publication costs
18 incurred under this subtitle; and

19 (2) Any remaining proceeds of the sale shall be held for 90 days for the
20 owner of the vehicle and any entitled secured party, after which the remaining proceeds
21 revert to:

22 (i) The treasury of the county in which the sale was made; or

23 (ii) In the case of a municipality that conducts the sale, the treasury
24 of the municipality.

25 (e) (1) After satisfying the requirements for obtaining a certificate of title for
26 an abandoned vehicle under § 25-207.1 of this subtitle, a police department may retain and
27 use the vehicle for public purposes without any further notice or consent of the owner other
28 than a lessor as provided in paragraph (2) of this subsection.

29 (2) (i) If there is a secured party with an interest in the vehicle as
30 shown on the records of the Administration, the police department may not retain the
31 vehicle for public purposes without the written consent of the secured party.

1 (ii) If the vehicle is owned by a lessor under a lease not intended as
2 security, the police department may not retain the vehicle for public purposes without the
3 written consent of the lessor.

4 (f) A vehicle retained for public purposes under subsection (e) of this section:

5 (1) May be dismantled or disassembled for the purpose of using its
6 component parts; and

7 (2) When no longer usable for public purposes, may at the discretion of the
8 police department, without further notice, be sold at public auction as provided in this
9 subtitle or transferred by the police department to a scrap processor licensed under §
10 15-502 of this article.

11 25-209.

12 (a) A person who owns a vehicle, on whose property is found an abandoned
13 vehicle, or who has lawful, documented possession of a vehicle for which the certificate of
14 title is defective, lost, or destroyed, may apply to a law enforcement agency for the
15 jurisdiction in which the vehicle is located for authority to [transfer]:

16 (1) **TRANSFER** the vehicle to an automotive dismantler and recycler or
17 scrap processor; **OR**

18 (2) **IN THE CASE OF AN ABANDONED VEHICLE, SELL THE VEHICLE AT**
19 **PUBLIC AUCTION IN ACCORDANCE WITH § 25-207 OF THIS SUBTITLE.**

20 (b) The application shall be made under penalty of perjury and shall include:

21 (1) The name and address of the applicant;

22 (2) The year, make, model, and vehicle identification number of the vehicle,
23 if ascertainable, and any other identifying features of the vehicle;

24 (3) A concise statement of the facts about the abandonment of the vehicle
25 or the loss, destruction, or defect of the certificate of title of the vehicle; and

26 (4) An affidavit stating that the facts alleged in the application are true
27 and that no material fact has been withheld.

28 (c) If a law enforcement agency finds that the application is executed in proper
29 form and shows either that the vehicle has been abandoned on the property of the applicant
30 or, if the vehicle is not abandoned, that the applicant appears to be the rightful owner, the
31 law enforcement agency may:

32 (i) If the applicant appears to be the rightful owner, approve the

1 request on verification of the information in the application; or

2 (ii) If the application is made by a person other than the rightful
3 owner, follow the notification procedures of §§ 25–204 and 25–205 of this subtitle.

4 (c–1) If the applicant submits with the application documentary proof that the
5 notification procedures of §§ 25–204 and 25–205 of this subtitle already have been complied
6 with, the law enforcement agency shall accept the document as proof of compliance and the
7 agency is not required to provide this notification.

8 (d) (1) If an abandoned vehicle is not reclaimed in the time required by this
9 subtitle or notice has already been provided to the owner and any secured party, the law
10 enforcement agency shall give the applicant a certificate of authority to **[transfer]**:

11 (I) **TRANSFER** the vehicle to:

12 [(i)] 1. Any automotive dismantler and recycler for:

13 [1.] A. Dismantling, destroying, or scrapping; or

14 [2.] B. Salvaging as authorized under § 13–506 of this
15 article; or

16 [(ii)] 2. Any scrap processor for dismantling, destroying, or
17 scrapping; **OR**

18 (II) **SELL THE VEHICLE AT PUBLIC AUCTION IN ACCORDANCE**
19 **WITH § 25–207 OF THIS SUBTITLE.**

20 (2) The automotive dismantler and recycler or scrap processor shall accept
21 the certificate of authority instead of the certificate of title of the vehicle.

22 (3) The automotive dismantler and recycler may apply for a salvage
23 certificate as provided in § 13–506 of this article.

24 (e) A person may not knowingly make a false statement on an application for a
25 certificate of authority under this section.

26 (f) A person who violates subsection (e) of this section is guilty of a felony and on
27 conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$1,000
28 or both.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2021.