

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 648

(Senator Carter)

Judicial Proceedings

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Vehicle Laws - Disposal of Abandoned Vehicles - Public Auction

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This bill authorizes *any* person to sell (at public auction) an abandoned vehicle found on that person's property if (1) the vehicle is not reclaimed as required in State law and (2) an appropriate certificate of authority is issued for the vehicle (as is currently required for transfer to an automotive dismantler and recycler or scrap processor). The person must comply with existing requirements related to the disposal of abandoned vehicles in State law.

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State finances or operations.

**Local Effect:** The bill is not anticipated to materially affect local government finances or operations.

**Small Business Effect:** Meaningful.

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Analysis

**Current Law:**

*Abandoned Vehicles and Sale at Public Auction by the Police*

An "abandoned vehicle" is defined, among other things, as any motor vehicle, trailer, or semitrailer that has remained on private property for more than two days without the consent of the owner (or person in control of the property).

A person may not abandon a vehicle on any public property or on any property other than his or her own without the permission of the owner (or lessee) of the property. The last known registered owner of an abandoned vehicle is considered to be the *prima facie* owner of the vehicle at the time of abandonment as well as the person who abandoned it.

A police department is authorized to take any abandoned vehicle into custody using its own personnel, equipment, and facilities. In addition, subject to specified requirements, a police department may use other persons, equipment, and facilities for removing, preserving, and storing abandoned vehicles.

If an abandoned vehicle is not reclaimed after following specified notice procedures, the police may sell the vehicle at public auction and use the proceeds for reimbursement of the costs of towing, preserving, and storing the vehicle and the expenses of the auction, including all notice and publication costs. Any remaining proceeds must be held for 90 days for the owner of the vehicle and any entitled secured party, after which the remaining proceeds revert to the treasury of the county or municipality in which the sale was made. The police may also retain and use a vehicle or transfer the vehicle for dismantling or scrapping.

#### *Transfer and Disposal of Vehicles for Dismantling and Recycling or Scrapping*

A person who owns a vehicle, a person on whose property an abandoned vehicle is found, or a person who has lawful, documented possession of a vehicle for which the certificate of title is defective, lost, or destroyed may apply to a law enforcement agency (in the appropriate jurisdiction) for authority to transfer an abandoned vehicle to an automotive dismantler and recycler or scrap processor.

The application must be made under penalty of perjury. A law enforcement agency is authorized to approve the application if the applicant appears to be the rightful owner after verification of the information in the application. Otherwise, if the application is made by a person other than the rightful owner, the law enforcement agency must follow current notification procedures for abandoned vehicles.

If an applicant submits with an application documentary proof that the required notice procedures were followed, a law enforcement agency is required to accept the document as proof of compliance.

A law enforcement agency must give the applicant a certificate of authority to transfer a vehicle to an automotive dismantler and recycler or scrap processor if notice has been provided to the owner of the vehicle and any secured party.

It is a felony to knowingly make a false statement on an application for a certificate of authority. On conviction, the offender is subject to a fine of up to \$1,000 or imprisonment for up to 10 years, or both.

**Small Business Effect:** Under the bill, some private companies may be able to sell abandoned vehicles at public auction. (Currently, only police departments are authorized to do so.) Such small businesses may meaningfully benefit under the bill. However, automotive dismantlers and recyclers and scrap processors may realize a decrease in business.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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