

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 870

(Delegates Foley and Fraser-Hidalgo)

Environment and Transportation

Judicial Proceedings

Vehicle Towing or Removal - Secured Parties - Electronic Notification

This bill authorizes a person who undertakes the towing or removal of a vehicle from a parking lot to notify any secured party electronically if that form of notice is agreed to by the tower and the secured party in writing or by electronic communication. An agreement made pursuant to the bill's authorization remains in effect until terminated by either party.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law:

Rights, Duties, and Obligations – Towing or Removing Vehicles from Parking Lots

Towing and daily storage rates are based on the limits set by the political subdivision for a public safety tow from which the vehicle was towed, or if no limit is established, no more than \$250 for towing and \$30 per day for storage. A tower may also charge the cost of providing notice to specified parties, but the tower must also provide the itemized cost of giving this notice.

In addition, towing services are required to notify police within one hour of the tow and photograph the violation or event that precipitated the violation. The towor must provide specified notice to the owner of the vehicle, as well as any secured party, and the vehicle's insurer, within seven days of the vehicle's removal from a parking lot, not including days that the towing business is closed.

A towing service that tows a vehicle from a parking lot is prohibited from charging for the actual cost of providing the required notice of the tow if the vehicle's owner or agent, insurer, or any secured party retakes possession of the vehicle within 48 hours of the vehicle being received by the storage facility.

The Motor Vehicle Administration must maintain a database of addresses for providing notice to an insurer and make the database available to towers free of charge.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 731 (Senator Watson, *et al.*) - Judicial Proceedings.

Information Source(s): Baltimore, Charles, and Frederick counties; Maryland Insurance Administration; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2022
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