

# HOUSE BILL 1002

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By: **Delegates Foley and Barve**

Introduced and read first time: February 10, 2023

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Vehicles – Police–Initiated Towing – Alterations**

3 FOR the purpose of altering certain provisions related to the rates the Department of State  
4 Police sets for tow companies involved in certain police–initiated towing;  
5 establishing the Committee on Rate Setting and Complaint Resolution for  
6 Police–Initiated Towing; and generally relating to the police–initiated towing of  
7 commercial vehicles.

8 BY repealing and reenacting, with amendments,  
9 Article – Public Safety  
10 Section 2–314  
11 Annotated Code of Maryland  
12 (2022 Replacement Volume)

13 BY adding to  
14 Article – Public Safety  
15 Section 2–314.1  
16 Annotated Code of Maryland  
17 (2022 Replacement Volume)

18 BY repealing and reenacting, with amendments,  
19 Article – Commercial Law  
20 Section 16A–101  
21 Annotated Code of Maryland  
22 (2013 Replacement Volume and 2022 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article – Commercial Law  
25 Section 16A–101(d)  
26 Annotated Code of Maryland  
27 (2013 Replacement Volume and 2022 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(As enacted by Section 2 of this Act)

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

**Article – Public Safety**

2–314.

(a) (1) In this section the following words have the meanings indicated.

**(2) “APPROVED RATES” MEANS THE MAXIMUM RATES APPROVED BY THE DEPARTMENT THAT APPLY TO POLICE–INITIATED TOWING AND RECOVERY SERVICES.**

**[(2)] (3)** “Authorized tow company” means a company providing towing and recovery services at the request of the Department and designated on the tow list.

**[(3)] (4)** “Heavy–duty towing” means towing and recovery of a vehicle including trailers and semitrailers with a gross vehicle weight rating over 26,000 pounds.

**[(4)] (5)** “Medium–duty towing” means towing and recovery of a vehicle including trailers or semitrailers with a gross vehicle weight rating from over 10,000 pounds to 26,000 pounds.

**[(5)] (6)** “Per pound billing” means a method of calculating a fee for towing and recovery services using a formula that considers the weight of the vehicle, equipment, or cargo that is the subject of the towing and recovery and multiplies the weight of the vehicle, equipment, or cargo by a monetary amount.

**[(6)] (7)** “Police–initiated towing” means the towing or recovery of a commercial motor vehicle which was authorized, requested, or dispatched by the Department.

**(8) “RECOVERY” MEANS WINCHING, HOISTING, UP–RIGHTING, REMOVING, OR OTHERWISE RELOCATING A VEHICLE WHEN THE VEHICLE IS FOUND IN A LOCATION, STATE, OR POSITION IN WHICH IT CANNOT BE REMOVED FROM THE LOCATION, STATE, OR POSITION USING ONLY THE VEHICLE’S OWN POWER, EVEN IF IT WERE IN COMPLETE OPERATING CONDITION.**

**[(7)] (9)** “Tow list” means the list of towing businesses authorized by the Department to perform police–initiated towing services of disabled or abandoned commercial vehicles within the Department’s jurisdiction.

**(10) “TOWING” MEANS USING ANOTHER VEHICLE TO MOVE OR REMOVE A VEHICLE.**

1 (b) The Department shall:

2 (1) establish and maintain a tow list, by county, of qualifying tow  
3 companies for use by the Department in carrying out the duties of this subtitle; and

4 (2) make the tow list available to the public on request.

5 (c) The Department may adopt regulations to establish standards for tow  
6 companies, including application procedures and minimum qualification requirements, and  
7 must include on the list all qualifying tow companies.

8 (d) The Department shall:

9 (1) [require a tow company applying to the Department's tow list for  
10 medium- and heavy-duty towing to submit a rate sheet that does not include per pound  
11 billing;

12 (2) require a tow company that [makes an application under item (1) of this  
13 subsection] **IS ON THE TOW LIST** to ban the use of per pound billing by October 1, 2023;

14 [(3) require the Department to make each tow company's rate sheet  
15 required under item (1) of this subsection available on request; and]

16 **(2) ESTABLISH THE APPROVED RATES FOR MEDIUM- AND**  
17 **HEAVY-DUTY TOWING AND RECOVERY THAT MAY BE CHARGED BY A TOW COMPANY**  
18 **ON THE TOW LIST BY JANUARY 1, 2024; AND**

19 [(4) (3) develop a process to receive, investigate, and adjudicate  
20 complaints from a vehicle owner or operator or the owner's designee against an authorized  
21 tow company regarding the police-initiated towing of a commercial motor vehicle, including  
22 a process to suspend or remove an authorized tow company from the tow list.

23 (e) An authorized tow company may charge less than but may not charge more  
24 than the **APPROVED** rates [on the rate sheet submitted to] **AUTHORIZED BY** the  
25 Department for a police-initiated towing **AND RECOVERY**.

26 (f) If a vehicle owner or the owner's designee requests the use of a specific towing  
27 company, the Department shall honor that request and allow the vehicle owner to engage  
28 the services of the requested towing company except when:

29 (1) the requested towing company cannot arrive at the location of the  
30 vehicle within a reasonable time period;

31 (2) a traffic safety problem exists and the requested towing company  
32 cannot arrive at the location within 30 minutes of a police employee's arrival at the location

1 of the vehicle; or

2 (3) the vehicle is disabled in the roadway as a result of a collision or vehicle  
3 fire and the requested towing company cannot arrive within 30 minutes of a police  
4 employee's arrival at the location of the vehicle.

5 **2-314.1.**

6 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (2) "APPROVED RATES" HAS THE MEANING STATED IN § 2-314 OF  
9 THIS SUBTITLE.

10 (3) "COMMITTEE" MEANS THE COMMITTEE ON RATE SETTING AND  
11 COMPLAINT RESOLUTION FOR POLICE-INITIATED TOWING.

12 (4) "POLICE-INITIATED TOWING" HAS THE MEANING STATED IN §  
13 2-314 OF THIS SUBTITLE.

14 (5) "RECOVERY" HAS THE MEANING STATED IN § 2-314 OF THIS  
15 SUBTITLE.

16 (B) THERE IS A COMMITTEE ON RATE SETTING AND COMPLAINT  
17 RESOLUTION FOR POLICE-INITIATED TOWING.

18 (C) THE COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

19 (1) TWO REPRESENTATIVES OF THE TOWING AND RECOVERY  
20 PROFESSIONALS OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE TOWING  
21 AND RECOVERY PROFESSIONALS OF MARYLAND;

22 (2) A REPRESENTATIVE OF THE MARYLAND MOTOR TRUCK  
23 ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE MARYLAND MOTOR TRUCK  
24 ASSOCIATION;

25 (3) A REPRESENTATIVE OF THE OWNER-OPERATOR INDEPENDENT  
26 DRIVERS ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE  
27 OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION;

28 (4) A REPRESENTATIVE OF THE MARYLAND TRANSPORTATION  
29 AUTHORITY POLICE, APPOINTED BY THE SECRETARY OF TRANSPORTATION;

30 (5) A REPRESENTATIVE OF THE STATE HIGHWAY ADMINISTRATION,

1 APPOINTED BY THE ADMINISTRATOR OF THE STATE HIGHWAY ADMINISTRATION;  
2 AND

3 (6) A REPRESENTATIVE OF THE MARYLAND INSURANCE  
4 ADMINISTRATION, APPOINTED BY THE INSURANCE COMMISSIONER.

5 (D) (1) A MEMBER OF THE COMMITTEE SHALL BE APPOINTED FOR A  
6 3-YEAR TERM.

7 (2) A MEMBER OF THE COMMITTEE MAY BE REAPPOINTED AT THE  
8 END OF THE MEMBER'S TERM.

9 (E) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE COMMITTEE.

10 (F) A MEMBER OF THE COMMITTEE:

11 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
12 COMMITTEE; BUT

13 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE  
14 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

15 (G) THE COMMITTEE SHALL:

16 (1) ON OR BEFORE DECEMBER 1, 2023, RECOMMEND APPROVED  
17 RATES TO THE DEPARTMENT THAT SHOULD BE CHARGED FOR POLICE-INITIATED  
18 TOWING AND RECOVERY SERVICES;

19 (2) MEET AT LEAST ONCE EVERY 3 YEARS TO REVIEW AND CONSIDER  
20 MODIFICATION OF THE APPROVED RATES;

21 (3) REQUEST INFORMATION AND COMMENTS FROM OTHER PARTIES  
22 OF INTEREST TO ASSIST WITH ITS WORK;

23 (4) RECOMMEND TO THE DEPARTMENT A PROCESS FOR RESOLVING  
24 TOWING COMPLAINTS; AND

25 (5) MAKE ANY ADDITIONAL RECOMMENDATIONS TO THE  
26 DEPARTMENT THAT THE COMMITTEE CONSIDERS APPROPRIATE.

27 (H) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT TO THE  
28 COMMITTEE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
2 as follows:

3 **Article – Commercial Law**

4 16A–101.

5 (a) (1) In this title the following words have the meanings indicated.

6 (2) “Authorized tow company” has the meaning stated in §  
7 2–314 of the Public Safety Article.

8 (3) “Heavy–duty towing” has the meaning stated in § 2–314 of the Public  
9 Safety Article.

10 (4) “Medium–duty towing” has the meaning stated in § 2–314 of the Public  
11 Safety Article.

12 (5) “Police–initiated towing” has the meaning stated in § 2–314 of the  
13 Public Safety Article.

14 (6) “Tow list” has the meaning stated in § 2–314 of the Public Safety  
15 Article.

16 (b) (1) Title 16 of this article does not apply to police–initiated towing services  
17 by an authorized tow company.

18 (2) Police–initiated towing does not create a lien or security interest for the  
19 authorized tow company in any equipment, vehicle, or cargo.

20 (c) An authorized tow company shall provide a vehicle owner or operator or the  
21 owner’s designee with reasonable access to a vehicle that is the subject of a police–initiated  
22 towing so that the vehicle owner or operator or the owner’s designee may access and collect  
23 any personal property or cargo contained in the vehicle, regardless of whether any payment  
24 has been made for the authorized tow company’s services.

25 (d) (1) If there is no dispute as to the fees assessed by the authorized tow  
26 company for the police–initiated towing of a vehicle:

27 (i) The vehicle owner or operator or the owner’s designee shall pay  
28 the authorized tow company’s invoice; and

29 (ii) The authorized tow company shall release a vehicle and any  
30 cargo that was the subject of a police–initiated towing immediately.

31 (2) If there is a genuine dispute as to the reasonableness or amount of the  
32 fees assessed by an authorized tow company:

1 (i) The authorized tow company shall release the cargo immediately  
2 to the owner or the owner's authorized agent in accordance with this subsection on  
3 submission of:

4 1. Proof of ownership if the cargo does not belong to the  
5 transportation company; or

6 2. If the cargo belongs to the transportation company:

7 A. A letter from the insurance company stating there is  
8 coverage for the relevant claim or accident and including, at minimum, a claim number,  
9 policy number, and policy limit; or

10 B. If an insurance policy required under item 2 of this item is  
11 not high enough to cover the cost of the cargo clean-up, a signed letter of guarantee from  
12 the transportation company; and

13 (ii) Beginning [October 1, 2023,] **MARCH 1, 2024**, the authorized  
14 tow company shall release the vehicle to the owner or the owner's authorized agent on  
15 payment of 20% of the invoice by the vehicle owner or operator or the owner's designee.

16 (3) A payment under paragraph (2)(ii) of this subsection does not eliminate  
17 the remainder of the financial obligation to the authorized tow company.

18 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
19 as follows:

20 **Article – Commercial Law**

21 16A-101.

22 (d) (1) If there is no dispute as to the fees assessed by the authorized tow  
23 company for the police-initiated towing of a vehicle:

24 (i) The vehicle owner or operator or the owner's designee shall pay  
25 the authorized tow company's invoice; and

26 (ii) The authorized tow company shall release a vehicle and any  
27 cargo that was the subject of a police-initiated towing immediately.

28 (2) If there is a genuine dispute as to the reasonableness or amount of the  
29 fees assessed by an authorized tow company[:

30 (i) The] **THE** authorized tow company shall release the cargo  
31 immediately to the owner or the owner's authorized agent in accordance with this  
32 subsection on submission of:

1                    [1.] (I)        Proof of ownership if the cargo does not belong to the  
2 transportation company; or

3                    [2.] (II)        If the cargo belongs to the transportation company:

4                    [A.] 1.        A letter from the insurance company stating there  
5 is coverage for the relevant claim or accident and including, at minimum, a claim number,  
6 policy number, and policy limit; or

7                    [B.] 2.        If an insurance policy required under item 2 of this  
8 item is not high enough to cover the cost of the cargo clean-up, a signed letter of guarantee  
9 from the transportation company[]; and

10                    (ii)        Beginning March 1, 2024, the authorized tow company shall  
11 release the vehicle to the owner or the owner's authorized agent on payment of 20% of the  
12 invoice by the vehicle owner or operator or the owner's designee.

13                    (3)        A payment under paragraph (2)(ii) of this subsection does not eliminate  
14 the remainder of the financial obligation to the authorized tow company[]].

15                    SECTION 4. AND BE IT FURTHER ENACTED, That:

16                    (a)        Section 3 of this Act is contingent upon the receipt of notice from the  
17 Department of State Police that approved rates for medium- and heavy-duty towing and  
18 recovery have been adopted as required by § 2-304(d)(2) of the Public Safety Article as  
19 enacted by Section 1 of this Act.

20                    (b)        Within 5 days after the approved rates for medium- and heavy-duty towing  
21 and recovery are adopted, the Maryland Department of State Police shall notify the  
22 Department of Legislative Services.

23                    (c)        If notice of the adoption of the approved rates is received by the Department  
24 of Legislative Services, Section 3 of this Act shall take effect on the date notice is received  
25 by the Department of Legislative Services in accordance with subsection (b) of this section.

26                    (d)        If Section 3 of this Act takes effect, Section 2 of this Act, with no further action  
27 by the General Assembly, shall be null and void.

28                    SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this  
29 Act, this Act shall take effect July 1, 2023.