

# SENATE BILL 927

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CF HB 1002

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By: **Senator Waldstreicher**

Introduced and read first time: February 16, 2023

Assigned to: Rules

Re-referred to: Judicial Proceedings, March 6, 2023

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2023

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## CHAPTER \_\_\_\_\_

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 Medium-Duty and Heavy-Duty Towing and Recovery; and  
7 generally relating to the police-initiated towing of 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

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2013 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,  
Article – Commercial Law  
Section 16A–101(d)  
Annotated Code of Maryland  
(2013 Replacement Volume and 2022 Supplement)  
(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.**

1            **[(7)] (9)**        “Tow list” means the list of towing businesses authorized by the  
2 Department to perform police-initiated towing services of disabled or abandoned  
3 commercial vehicles within the Department’s jurisdiction.

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

6            (b)        The Department shall:

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

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

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

13            (d)        The Department shall:

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

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

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

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

24                    **[(4)] (3)**        develop a process to receive, investigate, and adjudicate  
25 complaints from a vehicle owner or operator or the owner’s designee against an authorized  
26 tow company regarding the police-initiated towing of a commercial motor vehicle, including  
27 a process to suspend or remove an authorized tow company from the tow list.

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

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

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

6 (2) a traffic safety problem exists and the requested towing company  
7 cannot arrive at the location within 30 minutes of a police employee's arrival at the location  
8 of the vehicle; or

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

12 **2-314.1.**

13 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
14 INDICATED.

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

17 (3) "COMMITTEE" MEANS THE COMMITTEE ON RATE SETTING AND  
18 COMPLAINT RESOLUTION FOR POLICE-INITIATED MEDIUM-DUTY AND  
19 HEAVY-DUTY TOWING AND RECOVERY.

20 (4) "POLICE-INITIATED TOWING" HAS THE MEANING STATED IN §  
21 2-314 OF THIS SUBTITLE.

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

24 (B) THERE IS A COMMITTEE ON RATE SETTING AND COMPLAINT  
25 RESOLUTION FOR POLICE-INITIATED MEDIUM-DUTY AND HEAVY-DUTY TOWING  
26 AND RECOVERY.

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

28 (1) TWO REPRESENTATIVES OF THE TOWING AND RECOVERY  
29 PROFESSIONALS OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE TOWING  
30 AND RECOVERY PROFESSIONALS OF MARYLAND;

1           (2) A REPRESENTATIVE OF THE MARYLAND MOTOR TRUCK  
2 ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE MARYLAND MOTOR TRUCK  
3 ASSOCIATION;

4           (3) A REPRESENTATIVE OF THE OWNER-OPERATOR INDEPENDENT  
5 DRIVERS ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE  
6 OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION;

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

9           (5) A REPRESENTATIVE OF THE STATE HIGHWAY ADMINISTRATION,  
10 APPOINTED BY THE ADMINISTRATOR OF THE STATE HIGHWAY ADMINISTRATION;  
11 AND

12           (6) A REPRESENTATIVE OF THE MARYLAND INSURANCE  
13 ADMINISTRATION, APPOINTED BY THE INSURANCE COMMISSIONER.

14           (D) (1) A MEMBER OF THE COMMITTEE SHALL BE APPOINTED FOR A  
15 3-YEAR TERM.

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

18           (E) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT FOR THE  
19 COMMITTEE.

20           (F) A MEMBER OF THE COMMITTEE:

21           (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
22 COMMITTEE; BUT

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

25           (G) THE COMMITTEE SHALL:

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

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



1 any personal property or cargo contained in the vehicle, regardless of whether any payment  
2 has been made for the authorized tow company's services.

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

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

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

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

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

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

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

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

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

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

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

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

30 **Article – Commercial Law**

31 16A-101.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.