

SENATE BILL 927

E4

3lr2991
CF HB 1002

By: **Senator Waldstreicher**

Introduced and read first time: February 16, 2023

Assigned to: Rules

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)

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
2 the 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.