

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 176

(Delegate Foley)

Environment and Transportation

Judicial Proceedings

Vehicle Towing or Removal - Insurer of Record - Electronic Notification

This bill authorizes a person who undertakes the towing or removal of a vehicle from a parking lot to notify the insurer of record electronically, as specified, if that form of notice is agreed to by the tower and the insurer of record in writing or by electronic communication.

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: Potential minimal.

Analysis

Current Law: Towing services are required to notify police (with specified information) within one hour of the tow or removal of the vehicle from the parking lot. Also, the tower 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. The notice sent to any secured party may be electronic if that form of notice is agreed to by the tower and the secured party in writing or by electronic communication; the agreement to provide notice electronically remains in effect until terminated by either party.

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

Recent Prior Introductions: Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed (and has been enacted). For example, see SB 731 and HB 870 of 2022.

Designated Cross File: SB 149 (Senator Waldstreicher) - Judicial Proceedings.

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

Fiscal Note History: First Reader - January 28, 2024
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Analysis by: Joanne E. Tetlow

Direct Inquiries to:
(410) 946-5510
(301) 970-5510