

HOUSE BILL 1405

I4, L6, R5

5lr2776

By: **Delegate Allen**

Introduced and read first time: February 7, 2025

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Vehicles Towed or Removed From Parking Lots – Statutory**
3 **Liens and Administrative Hearings**

4 FOR the purpose of establishing that a certain person has a lien on a motor vehicle towed
5 or removed from a privately owned parking lot for certain charges under certain
6 circumstances; establishing the circumstances in which the lien is extinguished or
7 suspended; establishing that an authorized tow company has a lien or security
8 interest in a vehicle when the authorized tow company incurs certain charges related
9 to a certain police-initiated towing; requiring a political subdivision to adopt a
10 certain local law to establish a certain administrative hearing process for a motor
11 vehicle owner to challenge the legitimacy of a towing and establishing that the
12 hearing process applies to the certain police-initiated towing of a motor vehicle; and
13 generally relating to the towing, impoundment, and storage of motor vehicles for
14 parking violations.

15 BY adding to

16 Article – Commercial Law
17 Section 16–202(e) and 16A–101(e)
18 Annotated Code of Maryland
19 (2013 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – Commercial Law
22 Section 16A–101(a)(1) and (5)
23 Annotated Code of Maryland
24 (2013 Replacement Volume and 2024 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Commercial Law
27 Section 16A–101(b)
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2013 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 21–10A–02(b) and 26–306
Annotated Code of Maryland
(2020 Replacement Volume and 2024 Supplement)

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

Article – Commercial Law

16–202.

(E) (1) A PERSON HAS A LIEN ON A MOTOR VEHICLE IF THE PERSON TOWS OR REMOVES THE MOTOR VEHICLE FROM A PRIVATELY OWNED PARKING LOT UNDER TITLE 21, SUBTITLE 10A OF THE TRANSPORTATION ARTICLE ON BEHALF OF THE PARKING LOT OWNER OR AGENT, FOR ANY CHARGE INCURRED FOR ANY:

(I) TOWING;

(II) RECOVERY;

(III) STORAGE; OR

(IV) NOTICE PROVIDED.

(2) A LIEN CREATED UNDER THIS SUBSECTION SHALL BE EXTINGUISHED IF THE MOTOR VEHICLE IS RECLAIMED AND THE CHARGES GIVING RISE TO THE LIEN ARE PAID BY:

(I) THE OWNER OF THE MOTOR VEHICLE;

(II) THE LESSEE OF THE MOTOR VEHICLE;

(III) THE OPERATOR OF THE MOTOR VEHICLE;

(IV) THE INSURER OF RECORD;

(V) ANY SECURED PARTY; OR

(VI) ANY AUTHORIZED AGENT OF THE MOTOR VEHICLE OWNER.

1 **(3) A LIEN ESTABLISHED UNDER THIS SUBSECTION SHALL BE**
2 **SUSPENDED IF:**

3 **(I) THE MOTOR VEHICLE OWNER REQUESTS AN**
4 **ADMINISTRATIVE HEARING ESTABLISHED BY A COUNTY OR MUNICIPAL**
5 **GOVERNMENT UNDER § 26-306 OF THE TRANSPORTATION ARTICLE; AND**

6 **(II) THE VEHICLE OWNER PROMPTLY PROVIDES A COPY OF THE**
7 **HEARING REQUEST TO THE PERSON THAT TOWED OR REMOVED THE VEHICLE.**

8 16A-101.

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

10 (5) “Police-initiated towing” has the meaning stated in § 2-314 of the
11 Public Safety Article.

12 (b) (1) **EXCEPT FOR THE ADMINISTRATIVE HEARING PROCESS TO**
13 **CHALLENGE THE LEGITIMACY OF THE TOWING OF A PRIVATE MOTOR VEHICLE**
14 **ESTABLISHED UNDER § 26-306 OF THE TRANSPORTATION ARTICLE,** Title 16 of this
15 article does not apply to police-initiated towing services by an authorized tow company.

16 (2) [Police-initiated] **EXCEPT AS PROVIDED IN SUBSECTION (E) OF**
17 **THIS SECTION, POLICE-INITIATED** towing does not create a lien or security interest for
18 the authorized tow company in any equipment, vehicle, or cargo.

19 **(E) (1) AN AUTHORIZED TOW COMPANY HAS A LIEN ON A VEHICLE IF THE**
20 **AUTHORIZED TOW COMPANY PERFORMS A POLICE-INITIATED TOW ON THE VEHICLE**
21 **FOR ANY CHARGE INCURRED FOR ANY:**

22 **(I) TOWING;**

23 **(II) RECOVERY;**

24 **(III) STORAGE; OR**

25 **(IV) NOTICE PROVIDED.**

26 **(2) A LIEN CREATED UNDER THIS SUBSECTION SHALL BE**
27 **EXTINGUISHED IF THE VEHICLE IS RECLAIMED AND THE CHARGES GIVING RISE TO**
28 **THE LIEN ARE PAID BY:**

29 **(I) THE OWNER OF THE VEHICLE;**

- 1 **(II) THE LESSEE OF THE VEHICLE;**
 2 **(III) THE OPERATOR OF THE VEHICLE;**
 3 **(IV) THE INSURER OF RECORD;**
 4 **(V) ANY SECURED PARTY; OR**
 5 **(VI) ANY AUTHORIZED AGENT OF THE VEHICLE'S OWNER.**

6 **(3) A LIEN IS CREATED UNDER THIS SUBSECTION WHEN ANY**
 7 **CHARGES SET OUT UNDER PARAGRAPH (1) OF THIS SUBSECTION GIVING RISE TO**
 8 **THE LIEN ARE INCURRED.**

9 **Article – Transportation**

10 21–10A–02.

11 (b) The owner or operator of a parking lot or the owner's or operator's agent may
 12 not have a vehicle towed or otherwise removed from the parking lot unless the owner,
 13 operator, or agent has placed in conspicuous locations, as described in subsection (c) of this
 14 section, signs that:

- 15 (1) Are at least 24 inches high and 30 inches wide;
- 16 (2) Are clearly visible to the driver of a motor vehicle entering or being
 17 parked in the parking lot;
- 18 (3) State the location to which the vehicle will be towed or removed and the
 19 name of the towing company;
- 20 (4) State that State law requires that the vehicle be available for
 21 reclamation at a minimum from 6 a.m. to midnight, 7 days per week;
- 22 (5) State the maximum amount that the owner of the vehicle may be
 23 charged for the towing or removal of the vehicle; [and]
- 24 (6) Provide the telephone number of a person who can be contacted to
 25 arrange for the reclaiming of the vehicle by its owner or the owner's agent; **AND**
- 26 **(7) PROVIDE INFORMATION FOR AN OWNER TO REQUEST AN**
 27 **ADMINISTRATIVE HEARING IN ACCORDANCE WITH A LOCAL LAW OR REGULATION**
 28 **ADOPTED UNDER § 26–306 OF THIS ARTICLE.**

29 26–306.

1 **(A) A COUNTY OR MUNICIPAL CORPORATION SHALL ESTABLISH BY LOCAL**
2 **ORDINANCE OR REGULATION AN ADMINISTRATIVE HEARING PROCESS BY WHICH A**
3 **MOTOR VEHICLE OWNER MAY CHALLENGE THE LEGITIMACY OF THE TOWING,**
4 **IMPOUNDMENT, OR STORAGE OF THE OWNER’S MOTOR VEHICLE.**

5 **(B) A LOCAL ORDINANCE OR REGULATION ADOPTED UNDER THIS SECTION**
6 **SHALL:**

7 **(1) REQUIRE PROMPT NOTICE TO A MOTOR VEHICLE OWNER OF THE**
8 **RIGHT TO AN ADMINISTRATIVE HEARING TO CHALLENGE THE LEGITIMACY OF THE**
9 **TOWING, IMPOUNDMENT, OR STORAGE OF THE OWNER’S MOTOR VEHICLE;**

10 **(2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, REQUIRE AN**
11 **ADMINISTRATIVE HEARING TO BE HELD WITHIN 96 HOURS AFTER RECEIPT OF A**
12 **REQUEST FOR A HEARING BY AN OWNER; AND**

13 **(3) ESTABLISH INFORMATIONAL REQUIREMENTS FOR SIGNAGE IN**
14 **PARKING LOTS.**

15 **(C) IF AN ADMINISTRATIVE HEARING REQUESTED UNDER SUBSECTION (A)**
16 **OF THIS SECTION IS NOT HELD WITHIN 96 HOURS AFTER RECEIVING A HEARING**
17 **REQUEST, THE PERSON THAT TOWED OR REMOVED THE MOTOR VEHICLE SHALL**
18 **RELEASE THE MOTOR VEHICLE TO THE OWNER ON REQUEST AND WITHOUT CHARGE,**
19 **PENDING THE OUTCOME OF AN ADMINISTRATIVE HEARING REQUESTED BY THE**
20 **OWNER.**

21 **(D) THE SIGNAGE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (B)**
22 **OF THIS SECTION SHALL INCLUDE:**

23 **(1) THE FOLLOWING NOTICE:**

24 **“IF YOUR VEHICLE IS TOWED, YOU HAVE THE RIGHT TO AN**
25 **ADMINISTRATIVE HEARING TO DISPUTE THE LEGITIMACY OF THE TOW. A HEARING**
26 **MUST BE HELD WITHIN 96 HOURS OF WHEN A REQUEST FOR A HEARING IS**
27 **RECEIVED.”; AND**

28 **(2) CONTACT INFORMATION FOR THE INITIATION OF THE**
29 **ADMINISTRATIVE HEARING PROCESS.**

30 **(E) Any State, county, or municipal corporation, or any of its agencies, which**
31 **mistakenly or otherwise wrongfully authorizes the towing, impoundment, or storage of a**
32 **privately owned motor vehicle shall reimburse the owner of the vehicle for all reasonable**

1 towing and storage costs incurred by the owner as a result of the mistaken or wrongful
2 action.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2025.