

SENATE BILL 883

I4
SB 107/24 – JPR

5lr3043

By: **Senator James**

Introduced and read first time: January 28, 2025

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 2025

CHAPTER _____

1 AN ACT concerning

2 ~~Commercial Law – Statutory Liens – Motor Vehicles Towed or Removed From~~
3 ~~Parking Lots~~
4 Post-Towing Procedure Workgroup – Establishment

5 FOR the purpose of establishing ~~that a certain person has a lien on a motor vehicle towed~~
6 ~~or removed from a privately owned parking lot for certain charges under certain~~
7 ~~circumstances; establishing the circumstances in which the lien is extinguished; and~~
8 ~~generally relating to statutory liens and motor vehicles~~ the Post-Towing Procedure
9 Workgroup to identify and examine issues relating to the establishment of statutory
10 liens on motor vehicles that are towed or removed from privately owned parking lots
11 under certain circumstances; and generally relating to the Post-Towing Procedure
12 Workgroup.

13 ~~BY adding to~~
14 ~~Article – Commercial Law~~
15 ~~Section 16–202(c)~~
16 ~~Annotated Code of Maryland~~
17 ~~(2013 Replacement Volume and 2024 Supplement)~~

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

20 ~~Article – Commercial Law~~

21 ~~16–202.~~

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.



~~(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.~~

~~(3) A LIEN IS CREATED UNDER THIS SUBSECTION WHEN ANY CHARGES GIVING RISE TO THE LIEN ARE INCURRED.~~

~~(4) A LIEN CREATED UNDER THIS SUBSECTION IS SUBORDINATE TO A SECURITY INTEREST THAT PREDATES THE CREATION OF THE LIEN.~~

(a) There is a Post-Towing Procedure Workgroup.

(b) The Task Force consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

1 (3) one representative of the Consumer Protection Division in the Office of
2 the Attorney General, appointed by the Attorney General;

3 (4) one representative of the Maryland Association of Counties, designated
4 by the Executive Director of the Association;

5 (5) two representatives of the Towing and Recovery Professionals of
6 Maryland, designated by the President of the organization;

7 (6) one representative of the Maryland Retailers Alliance, designated by
8 the President of the Alliance;

9 (7) one representative of the Maryland Multi-Housing Association,
10 designated by the Executive Director of the Association; and

11 (8) one representative of the Apartment and Office Building Association of
12 Metropolitan Washington, designated by the chair of the Association.

13 (c) The Governor shall designate the chair of the Workgroup.

14 (d) The Department of Commerce shall provide staff for the Workgroup.

15 (e) A member of the Workgroup:

16 (1) may not receive compensation as a member of the Task Force; but

17 (2) is entitled to reimbursement for expenses under the Standard State
18 Travel Regulations, as provided in the State budget.

19 (f) (1) The Workgroup shall, in consultation with interested stakeholders,
20 identify and examine post-towing procedures relating to the towing or removal of motor
21 vehicles from privately owned parking lots in accordance with Title 21, Subtitle 10A of the
22 Transportation Article.

23 (2) In conducting the examination under paragraph (1) of this subsection,
24 the Workgroup shall also formulate recommendations on what measures would need to be
25 in place or required to comply with due process requirements under State and federal law
26 in order to establish a legally enforceable possessory or statutory lien as part of post-towing
27 procedures, including any notice requirements.

28 (g) On or before December 1, 2025, the Workgroup shall report its findings and
29 recommendations to the General Assembly in accordance with § 2-1257 of the State
30 Government Article.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 ~~October~~ June 1, 2025. It shall remain effective for a period of 1 year and 1 month and, at

1 the end of June 30, 2026, this Act, with no further action required by the General Assembly,
2 shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.