SB599_Economic Action Maryland_FAV (2023).pdf Uploaded by: Isadora Stern

Position: FAV



Testimony to the Senate Judicial Proceedings Committee SB599: Motor Vehicle Administration - Fines and Fees - Required Notice Position: Favorable

March 2, 2023

The Honorable Senator Smith, Chair Senate Judicial Proceedings Committee Second Floor, Miller Senate Office Building Annapolis, Maryland 21401 cc: Members, Senate Judicial Proceedings

Honorable Chair Smith and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing in support of SB599.

Discovering that your car has been towed is a terrible surprise. For many Marylanders, the consequences of a towed vehicle can be extremely devastating. A towed vehicle may mean the permanent loss of a person's only source of reliable transportation to work, the loss of which could result in unemployment and loss of access to education and health care.

While a towed vehicle can catch anyone off guard, the fees charged for towing and storage are not the same across the state. Maryland nominally sets the fee at \$250 per trespass tow, it allows counties to set their rate at a higher amount. The maximum towing fee allowed for a vehicle is over \$300 in Baltimore City and Anne Arundel County which is more than double the fee in Washington, D.C., and most other jurisdictions.¹

The loss of a vehicle, even temporarily, combined with the high fees associated with a towed vehicle's release can further exacerbate existing racial disparities in car ownership, transportation equity, and economic opportunity.

Maryland is one of many states that have inadequate protections, or the laws on the books are vague and inaccessible to the average consumer.² SB599 helps correct this lack of protection by setting clear and reasonable maximum rates for involuntary tows and maximum rates for daily storage.

For these reasons we support SB599 and urge a favorable report.

Best,	
Isadora Stern Policy Manager	

¹https://baltimorebrew.com/2022/10/04/with-towing-reform-shot-down-by-the-city-council-high-fees-and-aggress ive-practices-will-continue-in-baltimore/

²https://pirg.org/maryland/media-center/report-getting-off-the-hook-of-a-predatory-tow-in-maryland/#:~:text=In %20the%20case%20of%20an%20involuntary%20tow%2C%20towing%20companies%20can,law%20enforcement% 20of%20the%20towing.

SB599 Testimony.pdf Uploaded by: Jill Carter Position: FAV



Miller Senate Office Building II Bladen Street, Room 422 Annapolis, Maryland 21401 410-841-3697 · 301-858-3697 800-492-7122 Ext. 3697

THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

Testimony of Senator Jill P. Carter

In Favor of SB599 Vehicle Towing or Removal – Parking Lots – Maximum Fees

Before the Judicial Proceedings Committee on March 2, 2023

Chair Smith, Vice-Chair Waldstreicher, and Members of the Committee:

- Senate Bill 599 provides clarification to local jurisdictions regarding the fees that tow companies can charge for trespass towing. By removing language referencing "total fees" and amending to "fee", Senate Bill 599 provides clearer guidance to local jurisdictions and tow companies on what fee rates can be authorized.
- Based on the current iteration of the statute, the ability to double "total fees" has led to more ambiguity and less clarity for local governments, including Baltimore City. The ambiguity has at times resulted in fees submitted to the Baltimore City Trespass Tow Board in excess of the authorized doubling of municipal rates. Ultimately, the excessive fees can

- burden the citizens and visitors of Baltimore City, adding financial hardship in times of fiscal uncertainty.
- Please also take into consideration a recent formal opinion submitted by the Maryland Attorney General, specifically Opinion 107OAG0931, which states that "total fees" allowed to be doubled should only be the towing fee and not include storage, administrative, or other miscellaneous fees. Passing Senate Bill 599 would effectively codify this opinion and help to clarify authorized trespass towing rates.

For these reasons, I urge a favorable report of SB599.

Sincerely,

Jill P. Carter, Esq.

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SB0599-JPR- FAV.pdfUploaded by: Nina Themelis Position: FAV



Office of Government Relations 88 State Circle Annapolis, Maryland 21401

SB 599

March 2, 2023

TO: Members of the Judicial Proceeding Committee

FROM: Nina Themelis, Interim Director of Mayor's Office of Government Relations

RE: Senate Bill 599 – Vehicle Towing or Removal – Parking Lots – Maximum Fees

POSITION: Support

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 599.

SB 599 provides clarification to local jurisdictions regarding the fees that tow companies can charge for trespass towing. By removing language referencing "total fees" and amending to "fee", SB 599 provides clearer guidance to local jurisdictions and tow companies on what fee rates can be authorized.

Based on the current iteration of the statute, the ability to double "total fees" has led to more ambiguity and less clarity for local governments, including Baltimore City. The ambiguity has at times resulted in fees submitted to the Baltimore City Trespass Tow Board in excess of the authorized doubling of municipal rates. Ultimately, the excessive fees can burden the citizens and visitors of Baltimore City, adding financial hardship in times of fiscal uncertainty.

We ask that you also take into consideration a recent formal opinion submitted by the Maryland Attorney General, specifically Opinion 107OAG093¹, which states that "total fees" allowed to be doubled should only be the towing fee and not include storage, administrative, or other miscellaneous fees. Passing SB 599 would effectively codify this opinion and help to clarify authorized trespass towing rates.

For these reasons, the BCA respectfully request a **favorable** report on SB 599.

Annapolis – phone: 410.269.0207 • fax: 410.269.6785 Baltimore – phone: 410.396.3497 • fax: 410.396.5136 https://mogr.baltimorecity.gov/

 $^{^{1}\,\}underline{https://www.marylandattorneygeneral.gov/Opinions\%20Documents/2022/107oag093.pdf}$

hb828. sb599.pdf Uploaded by: CHARLES PARRISH Position: UNF

Good day to all:

My name is Charles Parrish operations manager of and representing the view of Vision Wrecker Service Inc a minority owned licensed Baltimore City Trespass Towing Company that does private property towing, as well as legislative Chairman of and representing the view of the Towing Recovery Professionals of Maryland (AKA T.R.P.M.), to which we oppose HB828/SB599 for the following reasons;

First let me give you some background information which may help you understand why we oppose, In 2013 during the time City Councilman Bob Curran was sitting on the Baltimore City Tow Board as the representative for the Baltimore City Council position and had been the representative for several decades and helped, along with the other members on the Board, establish rules and regulations to regulate and guide this complaint driven industry, and rid the industry of roque Towers by establishing the rules and regulations, even though there was still the perception of enormous fees when in fact these were towers doing towing that wasn't trespass but from other Towers responding and applying accident fees prices, some consensual and others non-consensual. Trespass towing, there is and has been only three basic fees allowed to be charged, 1) initial maximum impound fee with no extra work & or labor permitted to be added, (currently maximum of \$350.00 in Baltimore City, same maximum as AA County, and after hours in Harford County) 2) storage fee to which could not be added until 12hrs after possession at storage facility (currently \$15.00 per day in Baltimore City lowest throughout the state) 3) notification fee, that must be actual cost and cannot be charged to the public unless vehicles remain in your custody for more than 72hrs(21-10a-04(a)(1)(iv). (See chart comparing Baltimore City Tow yard for vehicles towed by contracted police Towers to Baltimore city licensed Trespass Towers for private property attachment A)

In 2009 Governor Martin O'Malley under HB 978 required a task force to focus on Towing which included some areas involving Trespass towing. The task Force was made up of 16 organizations (some having a maximum of 2 voting members while some had 1 voting member) ranging from political to judicial to insurance to banking along with TRPM and the Chairman, who was the City Manager from College Park. After over 2 years of meeting and several topics fully discussed and voted on the task Force voted 21-1 in favor of the entire Bill as forth in the report taking what was in place under MD Transportation Annotated law 21-10a-01 thru 06 from just Baltimore City & Baltimore County to being a law Statewide. The section referring to fees on page 10(see attachment B) of the Task Force report will show that the task force unanimously voted that the maximum fee remain as written (2x total fees) however was added was for those potential areas that do not have a local cap that \$400.00 for the Tow and \$35.00 per day for storage be added, vote was taken 13-2 in favor.(this later changed during legislative passage to \$250.00 per tow and \$30.00 per day storage)

Though 21-10a-01 (2) nothing in this subtitle prevents a local authority from exercising any power to adopt local laws or regulations relating to.....(see attachment C). In 2019 Baltimore City Council Bill 19-0431 was Vetoed By then Mayor Jack Young, which included, along with other changes, to change the fees aloud to be charged for Trespass towing, In 2020 Councilman Dorsey(who the year before had approved 2 Towers to charge more than the \$350.00 maximum allowed) while a member of the Tow Board attempted to Cap the rate at \$300.00 but 6 months later was overturned by the Tow Board, submitted Bill 21-0125 to along with other restrictions for private property owners abilities and safety to cap the initial impound fee to \$250.00 was voted against in committee 4-3. Now comes HB828/SB599, through the own words of the 2023 Baltimore City Legislative Priorities bulletin to clarify Total

allowable fees is actually an attempt to Dramatically decrease the cost associated with trespass towing and storage fee in Baltimore City (see attachment D) Though we are in agreement that maximum fees should be set, we are respectfully requesting that be done by the Tow Board which for decades has been a symbol of the right way to do things and the overseer to make sure rules and regulations are followed, as stated in Baltimore City Art 15 Section 22-3(see attachment E) which has the format and members to properly discuss and evaluate the fair and reasonable cost to operate in this industry. As an example I have included the Task Force from 2012 price recommendation but as you can see from attachment F1 & F2 that the RFP put out for Citywide Police requested Towing Services, which F1 pricing is shown on attachment A, (Attachment F2 has not been awarded yet nor has the price increase at City yard been established) has double Tow maximum fee from \$95.00 to \$190.00 just for the Tow while all other tow related items have been increased as well .(except for relocations).

In closing I and we are respectfully requesting that HB828 and SB599 not pass and allow this issue to be heard at the Baltimore City Tow Board.

Please do not hesitate to contact me if any questions and or concerns.

Sincerely,
Charles Parrish
Sales/Operations/Compliance Manager/Resident Agent
Vision Wrecker Service Inc.,
cell-4437903449
office-4108140254
office-4435483995
5250 Fairlawn Ave, Baltimore MD 21215
7517 Belair Rd, Nottingham MD 21236
charlesparrish1230@visionwreckerservice.com
Members of the following Associations:
I.R.E.M/ M.M.H.A./ South Baltimore Network
Towing Recovery professionals of MD (Legislative Sub-committee Co-Chairman)
All Licensed Municipal Towers of Baltimore County (Secretary Executive Board)
Proud Veteran of U.S.. Army

AHACLMONT A

TOW ITEM CATEGORY	BALTIMORE CITY YARD/CITY TOWERS	PRIVATE COMPANY IMPOUND FACILITY/BALTIMORE CITY PRIVATE PROPERTY TOWERS
HOURS OPEN TO CONSUMER	FALLSWAY-65HOURS/WK. CLOSED WEEKENDS & HOLIDAYS PULASKI HWY-52 HRS./WK CLOSED SUNDAYS AND HOLIDAY	MANDATORY 24 HOURS 7 DAYS A WEEK NEVER CLOSES
INITIAL COST WHEN RETRIEVING IMPOUND	TOWS EAST OF CHARLES ST START AT \$220.00 EXCLUDING ADDITIONAL FEES AND TICKETS THAT MAY BE CHARGED TOWS WEST OF CHARLES ST START AT \$230.00 EXCLUDING ADDITIONAL FEES AND TICKETS THAT MAY BE CHARGED	MAXIMUM FEE PERMITTED PER BALTIMORE CITY TOW BOARD 2013 DECEMBER MEETING \$350.00 WITH NO OTHER COST ALLOWED
STORAGE FEE	\$50.00 INCLUDED IN INITIAL IMPOUND CHARGE FOR FIRST 48HRS (REGARDLESS HOW LONG OF THE 48HRS VEHICLE IS THERE), THEN STARTING AFTER THE 48HRS \$15.00 EVERY 24HR PERIOD	MAXIMUM \$15.00 PER 24HR PERIOD WITH THE FIRST 12 HRS. FREE AFTER BEING IMPOUNDED
ADMIN FEE	\$40.00 INCLUDED IN INITIAL IMPOUND FEE	INCLUDED WITH INITIAL IMPOUND FEE
NOTIFICATION FEE	UNSURE AMOUNT IS ADDED TO BILL SENT TO REGISTERED/LIEN HOLDER	ACTUAL COST TO SEND LETTERS PER MD
DISPOSAL OF ABANDON VEHICLES FROM STORAGE FACILITY	AFTER 11 WORKING DAYS' NOTICE OF IMPOUNDED VEHICLE WAS RECEIVED AND UNCLAIMED, MAY BE SOLD AT PUBLIC AUCTION WITH MINIMUM BID OF \$74.00	AFTER NOTIFICATIONS HAVE BEEN SENT CERTIFIED AND REGISTERED MAIL, MUST THEN APPLY FOR A CS078, ONCE RECEIVED MUST TRANSFER TO A LICENSED ADR.
DROP FEE	NOT ALLOWED	MUST OFFER AT A MAXIMUM FEE OF 50% OF IMPOUND FEE EVEN THOUGH 85% OF WORK HAS BEEN COMPLETED
SIGNAGE	12"X18" SIGN PER BLOCK OR A 3"X5" SIGN ON A METER OR PAY STATION	24" HIGH X 30" WIDE MINIMUM PER ENTRANCE/EXIT AND EVERY 7500 SQ FT OF PARKING SPACES AT A MINIMUM/EVERY 25 SPACES IN TOURIST DISTRICT AT A MINIMUM

A HACHMENT B

Task Force to Study Motor Vehicle Towing Practices (As Required in House Bill 978, Chapter 704, Acts of 2009)

Transportation Article Section 21-10A-04 Rights, Duties, and Obligations

- 1. Makes the tow rate and daily storage rate maximum as set by the political subdivision or in the event that no limit is in place, the limit is \$400 for the tow and \$35 per day for storage:
- 2. Caps total fees at \$1,200 for vehicles that weigh less than 10,001 pounds;
- 3. Requires towers to notify police within one hour of the tow;
- 4. Requires photo of violation;
- 5. Removes bonding requirement;
- 6. Prohibits kickbacks from parking lot owner; and
- 7. Creates a tow lien on the vehicle for \$1,200.

<u>Discussion:</u> The Task Force voted unanimously to recommend these changes to this section. There was extensive discussion over much of this section. Capping the daily maximum storage rate for vehicles at the rate allowable by the political subdivision for police initiated towing was thought to be a reasonable limit taking into account economic and geographic differences through the State.

However, the Task Force was uncomfortable with potential areas that do not have a tow rate cap or a daily storage rate cap. To address this, the Task Force voted 13-2 in favor of placing maximum limits, only where there is no local cap, of \$400 for the tow and \$35 per day for storage.

A fee cap was an essential component for consumer protection. The total cap of \$1,200 was heavily debated with different groups wanting a higher or lower amount. Ultimately, \$1,200 was a compromise number that balanced the competing interests.

The Task Force recommended reducing the time allowed for a tower to notify police of a private vehicle tow. Police are often contacted by the vehicle owner when once the owner realizes their vehicle is missing, thinking the vehicle has been stolen. Virtually every tower now has a cell phone; therefore reducing the amount of time from 2 hours to 1 hour that towers are required to notify local police departments is a practical measure meant to reduce the impact on police departments.

A measure to protect both the consumer and the tower is the requirement to take a photo of the violation before towing. Digital cameras are an inexpensive way to avoid disputes; many tow companies already do this as a matter of practice.

The Task Force heard testimony from Baltimore City on their bonding requirement for towers within their jurisdiction. The Task Force found no useful purpose for the bonding requirement, and recommended to remove the requirement in light of the increased insurance requirements.



MARYLAND ANNOTATED CODE TRANSPORTATION ARTICLE TITLE 21. VEHICLE LAWS – RULES OF THE ROAD SUBTITLE 10A. TOWING OR REMOVAL OF VEHICLES FROM PARKING LOTS

§ 21-10A-01. Application of subtitle

Parking lot defined

- (a) In this subtitle, "parking lot" means a privately owned facility consisting of 3 or more spaces for motor vehicle parking that is:
- (1) Accessible to the general public; and
- (2) Intended by the owner of the facility to be used primarily by the owner's customers, clientele, residents, lessees, or guests.

Abandoned vehicles

- (b)(1) This subtitle applies only to the towing or removal of vehicles from parking lots.
- (2) Nothing in this subtitle prevents a local authority from exercising any power to adopt local laws or regulations relating to the registration or licensing of persons engaged in, or otherwise regulating in a more stringent manner, the parking, towing or removal, or impounding of vehicles.

§ 21-10A-02. Conspicuous placement of signs required

In general

- (a) The owner or operator of a parking lot or the owner's or operator's agent may not have a vehicle towed or otherwise removed from the parking lot unless the owner, operator, or agent has placed in conspicuous locations, as described in subsection (b) of this section, signs that:
- (1) Are at least 24 inches high and 30 inches wide;
- (2) Are clearly visible to the driver of a motor vehicle entering or being parked in the parking lot;
- (3) State the location to which the vehicle will be towed or removed and the name of the towing company;
- (4) State that State law requires that the vehicle be available for reclamation 24 hours per day, 7 days per week;
- (5) State the maximum amount that the owner of the vehicle may be charged for the towing or removal of the vehicle; and
- (6) Provide the telephone number of a person who can be contacted to arrange for the reclaiming of the vehicle by its owner or the owner's agent.

2023 BALTIMORE CITY LEGISLATIVE PRIORITIES

Clarify Total Allowable Towing Fees. This bill would clarify the towing-fee-related provisions in §21-10A-04¹ of the Transportation Article. That statute imposes constraints on the fees that can be charged for towing vehicles from private parking lots, a practice often called "trespass towing." The statute generally sets the permissible fee for trespass towing as double the "total fees normally charged or authorized by the political subdivision for the public safety impound towing of vehicles, however, there have been conflicting interpretations of the meaning of this clause. A recent opinion issued by the Office of the Attorney General clarified that "the total fees" referred to do not include fees for storage or notice, or fines owed for traffic and parking violations, and likely do not include administrative fees charged by Baltimore City, or any political subdivision, for public safety impound towing. Instead, the trespass towing "fee limit," is set only by doubling the fee "normally charged or authorized" by a jurisdiction for public safety impound towing. This clarification, introduced into code, will dramatically decrease the cost associated with trespass towing and storage fees in Baltimore City.

Grant Citation Authority to the Board of Liquor License Commissioners. The Alcoholic Beverages Article outlines how the consumption of alcoholic beverages at an unlicensed establishment is handled. Currently, the Baltimore City Police Department has the sole enforcement authority to close the operations of an establishment that is in violation of the health, safety, and welfare of the community by violating this provision of code. My Administration seeks to add concurrent authority to the Board of Liquor License Commissioners (BLLC) to impose Environmental Control Board citations, if authorized by the Mayor and City Council, freeing up City Officers to perform other duties required to uphold public safety.

Increase Board of Liquor License Commissioner Maximum Fines. Related to the Citation Authority Bill, currently, the BLLC is constrained in its enforcement actions, and the maximum fine the BLLC may impose for a violation committed by a bar, restaurant, or another establishment is low, in comparison to other boards throughout the State. The BLLC has found that imposing significant fines and lengthy suspensions are effective in correcting licensee behavior and compliance with our Rules, but the Board is unable to impose a fine of more than \$3,000. The Board seeks to alter this section to mirror the penalty authority for Montgomery County's Liquor License Board by issuing fines up to \$20,000. Lastly, the Board currently does not have the ability to adopt rules to carry out the penalty enforcement; language specifically authorizing this will allow the Board to be more efficient.

A HACKMENT D

¹ https://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gtr§ion=21-10A-04&enactments=false#:~:text=Statutes%20Text&text=%C2%A721%E2%80%9310A%E2%80%9304.&text=(9)%20May%20not%20tow%20a,is%20placed%20on%20the%20vehicle.

AHAERMONT

The members of the Board shall receive no compensation for services rendered by them as members of the Board, but they shall be reimbursed for all necessary and proper expenses incurred in the discharge of their duties.

(e) Staff.

The Board shall appoint such employees, assistants, and investigators and at such compensation as may be provided in the annual Ordinance of Estimates from time to time. (City Code, 1976/83, art. 15, §134(a).) (Ord. 89-273; Ord. 11-475.)

§ 22-3. Rules and regulations.

(a) Board may adopt.

Subject to Title 4 {"Administrative Procedure Act – Regulations"} of the City General Provisions Article, the Board is authorized and empowered to promulgate and adopt rules and regulations to carry out the purpose and intent of this subtitle.

(b) Public hearing and comment.

In accordance with General Provisions Article § 4-301, the Board must publish, for public hearing and comment, notice of all rules and regulations proposed for adoption under this subtitle.

Editor's Note: By authority of Ordinance 20-431, Section 5, the Director of Legislative Reference, in consultation with the Law Department, has conformed subsections (a) and (b) of this section to refer expressly to and reflect the requirements of the recently-enacted Administrative Procedure Act that, effective January 15, 2021, governs the proposal, adoption, and publication of administrative rules and regulations.

(c) Effect.

The rules and regulations shall have the same force and effect as law. (City Code, 1976/83, art. 15, §134(b).) (Ord. 89-273.)

§ 22-4. License required.

- (a) In general.
 - (1) It shall be unlawful for any person to engage in a towing service in Baltimore City without a valid towing license issued by the Director of Finance.
 - (2) The license is renewable annually.
- (b) Exemptions.

The provisions of this section shall not apply to:

(1) persons towing their own motor vehicles;

04/08/22

AHACHMENT FI READ

B50002251 – Citywide Police Requested Towing Services – Bids Due 04/25/12

Bid Price Sheet

Address		
City	State Zip Code	
Contact Person	Phone	
Fax		

Gentlemen:

The undersigned agree(s) to provide all labor, materials, services, etc., necessary and incidental to the solicitation indicated at the top of this page, as described herein and at the pricing shown below.

*Police Tow refers to Accident tow, Evidentiary tow and any other tow ordered by BPD

ITEM I: *Police Tow (Motorcycles, Automobiles and Light Trucks)

Category	Description	Rate (\$)	Maximum Rate	Units	Extended Price
1	Standard "Police Tow" for Motorcycles, Automobiles and Light Truck to PULASKI		\$95.00	14000	
2	Standard "Police Tow" for Motorcycles, Automobiles and Light Trucks to BPD Locations		\$71.00	1200	
3	Standard "BPD Relocation Tow" for Motorcycles, Automobiles and Light Trucks from one BPD location another BPD Location		\$71.00	100	
4	Standard "Owner Destination Tow" for Motorcycles, Automobiles and Light Trucks to locations chosen by the owner (within the City Limits) in pursuant to City Code Art. 31, §22-11(e).		\$160.00	100	

AHACHMENT F2 B5000661

B50006614 – Citywide Police Requested Towing Services – Due: October 19, 2022

BID PRICE SHEET

Bid/Proposal submitted by (name of firm) _	mille and a selection of the properties		
Address			
City	State	Zip Code	
Contact Person			
Title			
Phone			
Fax			
Email Address	TO THE PERSON ASSESSMENT OF THE PERSON ASSESSM		
To The Board of Estimates, City of Baltimor	re:		

The undersigned agree(s) to provide all labor, materials, services, etc., necessary and incidental

to the solicitation indicated at the top of this page, as described herein and at the pricing show

Item I: Police Tow (Motorcycles, Automobiles and Light Trucks) Extended Rate (\$) Units Maximum Price Category Description Rate (b) (a)*(b) (a) Standard "Police Tow" for Motorcycles, Automobiles and Light Trucks to **PULASKI** 190.00 1400 \$ 1 Standard "Police Tow" for Motorcycles, Automobiles and Light Trucks to BPD 2 Locations 190.00 1200 \$ Standard "BPD Relocation Tow" for Motorcycles, Automobiles and Light \$ Trucks from one BPD location to 3 another BPD Location. 71.00 100 \$ Standard "Owner Destination Tow" for Motorcycles, Automobiles and Light Trucks to locations chosen by the owner (within the City Limits) in pursuant to City Code Art.31, §22-11(e). 195.00 100 \$ 4

MMHA - 2023 - SB 599 - Vehicle Towing or Removal Uploaded by: Chinelo Osakwe

Position: UNF



Bill Title: Senate Bill 599 - Vehicle Towing or Removal - Parking Lots - Maximum Fees.

Committee: Judicial Proceedings Committee

Date: March 2nd, 2023

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose membership consists of owners and managers of more than 207,246 rental housing homes in more than 937 apartment communities. Our members house over 667,000 residents of the State of Maryland throughout the entire State of Maryland. MMHA membership also includes more than 216 associate members that supply goods and services to the multi-housing industry. More information is available at https://www.mmhaonline.org/

Senate Bill 599 alters the basis of determining the maximum fee amount a private tow company can charge for its services. This bill reduces from "twice the amount of the *total fees*" normally charged by a political subdivision to "twice the amount of the *fee*", excluding administrative costs, storage fees, notice fees, and any other fees that are associated with trespass towing.

MMHA is concerned about the unintended consequence this legislation will have on housing providers. Non-consensual towing is crucial for property owners to keep their premise safe from those who trespass on their properties and to accommodate our residents in need. We are concerned that this reduction in fees collected by a tower could result in an increase in our fees which could lead to higher rents. We recognize the importance of the fee cap. However, with rising costs due to inflation, it is impractical for private towers to maintain their services without reallocating their costs.

By limiting the maximum fee towers can collect, private towers will have to recoup the cost of their services and this could result in increased costs to property owners. Property owners who through no fault of their own need a private towing operator to remove unauthorized vehicles. Property owners will be forced to pass these fees onto residents, increasing rent costs...

For these reasons, we respectfully request an unfavorable report on Senate Bill 599.

For additional information, please contact Chinelo Osakwe at 954-681-8743