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Environment and Transportation
Committee

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THE MARYLAND HOUSE OF DELEGATES

Testimony: HB 176, Vehicle Towing or Removal—Insurer of Record—Electronic Notification

Committee: Environment and Transportation

Hearing Date: February 8, 2024

Position: FAV

HB 176 is the third in a series of bills that give towing companies and their customers the option to receive required notices by electronic delivery. The bill allows a towing company to notify the insurer of record about the towing or removal of a vehicle from a parking lot electronically if the electronic notification is agreed to by the insurer.

Two previously adopted bills allow a tower or a police department to notify a secured party/lien holder electronically when a vehicle is towed from a parking lot if the electronic notification is agreed to by the parties. This has significantly streamlined the process for those entities using it and allows matters to be resolved more quickly when a vehicle is not claimed.

HB 176 is establishing this same process for the notification of an insurer of record when a vehicle is towed from a parking lot. Currently, a towing company is required to notify the insurer of record by certified mail, return receipt requested, and first-class mail within 7 days. The process necessary in order to provide proper notification to all parties for reclamation of the vehicle. Should the owner/secured party/insurance company not claim the vehicle, the owner/secured party/insurance company is then agreeing to relinquish any rights to the vehicle which would allow the towing company to seek a CS-78 from a law enforcement agency to transfer the vehicle to a licensed automotive & dismantler recycler. HB 176 streamlines this notification process for the insurer of record and aligns the electronic notification process with that of the secured party and lien holder.

This is a very simple bill that makes sense and benefits all parties involved in these transactions. I urge a favorable report.

