

Office of Consumer Protection

DEPARTMENT OF COUNTY ADMINISTRATION
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February 28, 2025

Senator William C. Smith, Jr., Chair Senator Jeff Waldstreicher, Vice Chair Senate Judicial Proceedings Committee Miller Senate Office Building, 2 East Annapolis, Maryland 21401

RE: Letter of Information: SB883: Commercial Law - Statutory Liens - Motor Vehicles Towed or Removed from Parking Lots

Dear Chair Smith, Vice Chair Waldstreicher and Members of the Senate Judicial Proceedings Committee,

The Office of Consumer Protection (OCP) helps protect Howard County consumers by providing education regarding unfair and deceptive trade practices, conducting mediation, and enforcing consumer protection code. In addition, the OCP regulates and licenses trespass towing companies in Howard County under HCC §17.600, et seq. The OCP writes this letter of information in connection with SB883.

Trespass towing is a unique business model. In no other industry does the law allow a business to take an individual's personal property without permission and refuse to return it until they are paid a fee. While most tow companies operate with integrity and lawfulness, many do not. Authorizing automatic statutory liens, as proposed by SB883, adds a layer of complexity which could be misused by predatory tow companies. Below are four examples for your consideration.

First, through a complaint, we learned about a scheme by unlicensed tow operators from neighboring counties which monitor police scanners for accidents, arrive on the scene, tow the damaged vehicles, and provide owners with false information about the company name and address for the storage lot. This prevents consumers from timely locating their vehicles while storage fees accumulate.

Second, the OCP received a complaint from a consumer who had his Maserati illegally towed from a Howard County gas station deli which had no posted tow signs. The deli owner hired an unlicensed tow operator to tow the car to a Baltimore auto repair shop (more than 12 miles away), which he also owned. The repair shop then removed the car's tire and rims to prevent the owner retrieving his car and demanded almost 3 times the cost of the illegal tow (and well in excess of the County's approved tow redemption charges) before he would repair the car so the owner could retrieve his car.

Finally, last year, we conducted enforcement and compliance actions against two companies. An unlicensed tow company towed 42 vehicles, and when approached for compliance, provided false information in its subsequent licensing application, failed to provide updated insurance information, charged unapproved rates, charged government fines, acted as a spotter, towed vehicles without authorization of the property owner, and failed to provide notice of the tow to the Police as required by County law. Another tower, despite not having a contract with the property owner, nevertheless came on the property after hours, removed the prior tow company's signs,

installed its own signs, told the concierge it had a valid contract with the property owner when asked, and then towed ten (10) cars without the authorization of the property owner or its agents.

As the Senate reviews SB883, we ask that these four scenarios, and how liens would have impacted them, be taken into consideration.

Sincerely, Though Regulation

Tracy D. Rezvani

CC: Honorable Dr. Calvin Ball III, County Executive

Maureen Evans, Director of Government Affairs & Strategic Partnerships