



Bill Title: Senate Bill 883, Commercial Law - Statutory Liens - Motor Vehicles Towed or Removed From Parking Lots

Committee: Judicial Proceedings Committee

Date: March 4, 2025

Position: Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 883 establishes that 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 specified provisions of State law, for any charges incurred for any towing, recovery, storage; or notice provided. A lien created pursuant to the bill must be extinguished if the motor vehicle is reclaimed and the charges giving rise to the lien are paid by the owner, lessee, or operator of the motor vehicle, the insurer of record, any secured party or any authorized agent of the motor vehicle owner. A lien is created under the bill when any charges giving rise to the lien are incurred. Additionally, a lien created under the bill is subordinate to a security interest that predates the creation of the lien.

MMHA strongly supports Senate Bill 883, which establishes a lien on motor vehicles towed from privately owned parking lots, for the following reasons:

1. Strengthening Parking Enforcement for Resident and Guest Safety: One of the most persistent challenges apartment communities face is the unauthorized use of private parking facilities, leading to overcrowding, illegal parking, and tenant complaints. Without an effective enforcement mechanism, residents often find their designated spaces occupied by unauthorized vehicles, creating frustration and diminishing their quality of life. By ensuring that towing companies can recover the costs of towing, storage, and related expenses through a lien process, Senate Bill 883 strengthens the enforcement of parking policies and deters unauthorized parking.

2. Ensuring Financial Viability of Parking Management: Currently, towing and storage companies bear a significant financial risk when removing unauthorized vehicles from private parking lots. If towing companies struggle to recover their costs, fewer companies will be willing to provide these essential services, leaving housing providers with fewer options for enforcing parking rules. Senate Bill 883 provides a clear mechanism for cost recovery, ensuring that towing companies can continue to operate efficiently and serve the needs of private property owners, including apartment communities.



3. Protecting the Rights of Apartment Communities as Private Property Owners: Housing providers invest substantial resources in maintaining their parking facilities for residents and their guests. Unregulated or unenforceable parking policies undermine these investments. Senate Bill 883 reinforces property owners' rights by recognizing that costs incurred for towing and storage services create a legal lien, ensuring that property owners and their service providers are not financially disadvantaged when enforcing parking rules.

4. Fair and Transparent Process for Vehicle Owners: Senate Bill 883 strikes a fair balance between enforcing private parking rules and protecting vehicle owners. The bill ensures that a lien is automatically extinguished once the outstanding charges are paid, preventing excessive penalties or unfair financial burdens. Additionally, by allowing multiple parties—such as the vehicle owner, lessee, insurer, or secured creditor—to pay the necessary fees, the bill increases the likelihood of prompt resolution.

5. Aligning with Best Practices in Property Management: Many states have similar provisions ensuring that towing and parking enforcement remain viable, fair, and effective for private property owners. Senate Bill 883 brings clarity and consistency to Maryland's policies, aligning with best practices that balance the interests of property owners, towing service providers, and vehicle owners.

Housing providers depend on effective parking enforcement to maintain order, ensure resident satisfaction, and protect private property rights. Senate Bill 883 provides a reasonable, enforceable, and fair approach to handling unauthorized parking, ensuring that towing companies can continue to serve private property owners without financial risk. By supporting this legislation, Maryland can strengthen property rights, improve parking management, and promote fairness in the towing process.

For these reasons, we respectfully request a favorable report on Senate Bill 883.

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