



February 19, 2026

Re: Request for an UNFAVORABLE report on SB 577

Dear Members of the Judicial Proceedings Committee:

I write at this time to urge the Judicial Proceedings Committee to give SB 577 an unfavorable report. This is the third year in a row that a bill is before this Committee to create for towing companies a right that no other Maryland business has. In both 2024 (SB 107) and 2025 (SB 883), the legislation sought to establish non-consensual towing liens against decades of precedent, *T.R. v. Lee*, 55 Md. App. 629 (1983), and in violation of the due process clause of the Constitution. *Huemmer v. Mayor & City Council of Ocean City*, 632 F.2d 371 (4th Cir. 1980). Both prior bills were intended to aid trespass towers to collect outstanding towing fees and charges by permitting towers to hold on to the consumers' vehicles until any amounts owed were paid. Neither bill, however, was passed and enacted.

SB 577 proposes a different tactic to assist trespass towers in their debt collection efforts. If the consumer has not paid all towing charges within 10-days after retaking possession of their vehicle, then SB 577 permits the filing of a civil lawsuit against the "vehicle owner" and *requires* all Maryland Courts to award: (a) three times the standard towing fee *PLUS* (b) Court costs *PLUS* (c) reasonable attorney's fees.¹ Thus, under SB 577, Courts have no discretion to award a lesser amount and vehicle owners who fail to pay the entire tow fee (which might be as little as \$170), within 10-days – without any notice or disclosure of the consequences of failing to pay within the 10-day timeframe – will have a judgment entered against them for \$1,000 or more. There are numerous problems with this proposal including the following:

First, no other business in Maryland gets this type of windfall for an unpaid debt. Doctors, plumbers, accountants, electricians and other businesses that send out invoices for their services, and rely upon consumers to pay the amounts owed, are strictly limited to collecting only the overdue amount of their fee if the invoice goes unpaid. If a physician files suit in Court, the Doctor collects only the outstanding fee. The same is true for the plumber, accountant, electrician and everybody else. The Court will not, and in fact, cannot award these professionals liquidated damages or court costs or attorney's fees in addition to the debt. SB 577, however, will permit such a windfall for towing companies.

¹ SB 577 also permits these same enhanced damages when a vehicle owner pays by credit card "but subsequently withholds the payment." This is a different circumstance than mandating enhanced damages when a vehicle owner fails to pay promptly. Indeed, at least one Maryland County already provides a similar remedy when vehicle owners renege on the credit card payment. *See e.g.* Montgomery County Code, §30C-9. While I do not think that such remedies, when someone challenges the credit card payment, are appropriate statewide, this opposition is not directed to that issue.

Second, a customized and boutique judicial process and procedure for trespass towers is simply unnecessary. Towers currently have the same access to the Court system as every other business in the State of Maryland. If the vehicle owner fails to pay the towing invoice, a trespass tower, like every other company that is allegedly owed a small debt, may file suit in small claims court in Maryland, a division of the District Court, which has exclusive jurisdiction over all civil cases for money damages up to \$5,000. These cases involve simplified, informal procedures that often allow for self-representation.

Third, there is no support whatsoever for the notion that trespass towers are uniquely situated or otherwise, in the past, have had difficulty collecting their towing fees. Thus, SB 577 crafts a solution for a problem that simply does not exist.

Fourth, even if statistics, data and studies showed that the burden to collect on an unpaid invoice is disproportionately higher for trespass towers, the solution is not to mandate an award of twice the outstanding debt as liquidated damages PLUS court costs PLUS attorney's fees *in addition to* the standard tow fee. Such a windfall in favor of the towing company is draconian, overreaches and disproportionately punishes the vehicle owner.

Fifth, SB 577 also may impact the current volume of cases in the Court system without taking the resulting fiscal impact into account. Because SB 577 would create an extreme financial incentive for towing companies to file a civil action for the unpaid charges – a windfall recovery of three times or more the original towing fee is virtually assured – towers will be incentivized to pursue litigation. The burden of these additional cases, no doubt, will result in a negative fiscal impact on the Court system.

Finally, SB 577 also would adversely impact vehicle owners who were not involved in or even aware of the tow. In short, the truncated 10-day payment period set forth in SB 577 would result in many of these absent vehicle owners having an exorbitant judgment entered against them even when they have no reason to know that their vehicle had been towed. This is a real world scenario that would affect not only consumers (*i.e.*, the teenager who was towed but waits to tell their parent, the vehicle owner), but also small businesses (*i.e.*, employees driving the company vehicle who hold off on advising their supervisors) and even car rental companies that would have no reason to know about the tow. In this regard, the fact that SB 577 does not even require the towing company to provide a disclosure regarding the truncated 10-day period to pay, at the time the vehicle is released, or notice of the consequences of not paying within the 10-day timeframe, is especially troublesome.

Respectfully,

Richard S. Gordon