

SENATE BILL 40

R7

(PRE-FILED)

5lr1656
CF HB 191

By: **Senator Muse**

Requested: November 1, 2024

Introduced and read first time: January 8, 2025

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: January 29, 2025

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Towed, Removed, or Abandoned Vehicles – Electronic Notice to**
3 **Owner**

4 FOR the purpose of authorizing a person who tows or removes a vehicle from a parking lot
5 to provide electronic notice of the tow or removal to the vehicle owner through the
6 Motor Vehicle Administration under certain circumstances; authorizing a police
7 department that takes an abandoned vehicle into custody to send an electronic notice
8 to the last known registered owner of the vehicle through the Administration under
9 certain circumstances; and generally relating to the electronic notice to vehicle
10 owners for towed, removed, or abandoned vehicles.

11 BY repealing and reenacting, with amendments,
12 Article – Transportation
13 Section 21–10A–04, 25–204, and 25–205
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2024 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Transportation**

19 21–10A–04.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(a) Unless otherwise set by local law, a person who undertakes the towing or removal of a vehicle from a parking lot:

(1) May not charge the owner of the vehicle, the owner's agent, the insurer of record, or any secured party more than:

(i) Twice the amount of the total fees normally charged or authorized by the political subdivision for the public safety impound towing of vehicles;

(ii) Notwithstanding § 16–207(f)(1) of the Commercial Law Article, the fee normally charged or authorized by the political subdivision from which the vehicle was towed for the daily storage of impounded vehicles;

(iii) If a political subdivision does not establish a fee limit for the public safety towing, recovery, or storage of impounded vehicles, \$250 for towing and recovering a vehicle and \$30 per day for vehicle storage; and

(iv) Subject to subsection (b) of this section, the actual cost of providing notice under this section;

(2) Shall notify the police department in the jurisdiction where the parking lot is located within 1 hour after towing or removing the vehicle from the parking lot, and shall provide the following information:

(i) A description of the vehicle including the vehicle's registration plate number and vehicle identification number;

(ii) The date and time the vehicle was towed or removed;

(iii) The reason the vehicle was towed or removed; and

(iv) The locations from which and to which the vehicle was towed or removed;

(3) (i) **[Shall] SUBJECT TO ITEMS (II) AND (III) OF THIS ITEM, SHALL** notify the owner and[, except as provided in item (ii) of this item,] the insurer of record and any secured party by certified mail, return receipt requested, and first-class mail within 7 days, exclusive of days that the towing business is closed, after towing or removing the vehicle, and shall provide the same information required in a notice to a police department under item (2) of this subsection; **[and]**

(II) MAY PROVIDE NOTICE REQUIRED UNDER ITEM (I) OF THIS ITEM TO THE OWNER ELECTRONICALLY THROUGH THE ADMINISTRATION IF:

1 **1. THE ADMINISTRATION SENDS THE NOTICE TO THE**
2 **OWNER USING THE E-MAIL ADDRESS THE OWNER PROVIDED TO THE**
3 **ADMINISTRATION, AS SHOWN IN THE ADMINISTRATION'S RECORDS; AND**

4 **2. THE TOWER SENDS A NOTICE BY CERTIFIED MAIL,**
5 **RETURN RECEIPT REQUESTED, AND FIRST-CLASS MAIL, TO THE OWNER IF THE**
6 **OWNER DOES NOT RESPOND WITHIN 7 DAYS AFTER THE ELECTRONIC NOTICE WAS**
7 **SENT BY THE ADMINISTRATION; AND**

8 [(ii)] **(III)** May provide notice required under item (i) of this item to
9 any secured party or insurer of record electronically, if that form of notice is agreed to by
10 the tower and the secured party or insurer of record in writing or by electronic
11 communication;

12 (4) Shall provide to the owner, any secured party, and the insurer of record
13 the itemized actual costs of providing notice under this section;

14 (5) Before towing or removing the vehicle, shall have authorization of the
15 parking lot owner which shall include:

16 (i) The name of the person authorizing the tow or removal;

17 (ii) A statement that the vehicle is being towed or removed at the
18 request of the parking lot owner; and

19 (iii) Photographic evidence of the violation or event that precipitated
20 the towing of the vehicle;

21 (6) Shall obtain commercial liability insurance in the amount required by
22 federal law for transporting property in interstate or foreign commerce to cover the cost of
23 any damage to the vehicle resulting from the person's negligence;

24 (7) May not employ or otherwise compensate individuals, commonly
25 referred to as "spotters", whose primary task is to report the presence of unauthorized
26 parked vehicles for the purposes of towing or removal, and impounding;

27 (8) May not pay any remuneration to the owner, agent, or employee of the
28 parking lot; and

29 (9) May not tow a vehicle solely for a violation of failure to display a valid
30 current registration under § 13-411 of this article until 72 hours after a notice of violation
31 is placed on the vehicle.

32 (b) A person may not charge for the actual cost of providing notice under
33 subsection (a)(1)(iv) of this section if the vehicle owner, the owner's agent, the insurer of

record, or any secured party retakes possession of the vehicle within 48 hours after the vehicle was received at the storage facility.

(c) The Administration shall:

(1) **ADOPT REGULATIONS TO ALLOW FOR ELECTRONIC NOTIFICATION TO VEHICLE OWNERS UNDER SUBSECTION (A)(3)(II) OF THIS SECTION;**

(2) Establish and maintain a database containing the proper address for providing notice to an insurer under subsection [(a)(3)] **(A)(3)(III)** of this section for each insurer authorized to write a vehicle liability insurance policy in the State; and

[(2)] (3) Make the database REQUIRED UNDER ITEM (2) OF THIS SUBSECTION available to any tower free of charge.

(d) An agreement to provide notice electronically made in accordance with subsection [(a)(3)(ii)] **(A)(3)(III)** of this section shall remain in effect until terminated by either party.

25–204.

(a) (1) As soon as reasonably possible and within 7 days at most after it takes an abandoned vehicle into custody, a police department shall send a notice, by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to:

(i) **[The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE** last known registered owner of the vehicle; and

(ii) Subject to paragraph **[(2)] (3)** of this subsection, each secured party, as shown on the records of the Administration.

(2) A POLICE DEPARTMENT MAY NOTIFY THE LAST KNOWN REGISTERED OWNER ELECTRONICALLY THROUGH THE ADMINISTRATION IF:

(I) THE ADMINISTRATION SENDS THE NOTICE TO THE OWNER USING THE E-MAIL ADDRESS THE OWNER PROVIDED TO THE ADMINISTRATION, AS SHOWN IN THE RECORDS OF THE ADMINISTRATION; AND

(II) THE POLICE DEPARTMENT SENDS THE OWNER NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND FIRST-CLASS MAIL, IF THE OWNER DOES NOT RESPOND WITHIN 7 DAYS AFTER THE ELECTRONIC NOTICE WAS SENT BY THE ADMINISTRATION.

1 ~~[(2)]~~ **(3)** A police department may send notice to any secured party
2 electronically, if that form of notice is agreed to by the police department, the tower, and
3 the secured party in writing or by electronic communication.

4 (b) The notice shall:

5 (1) State that the abandoned vehicle has been taken into custody;

6 (2) Describe the year, make, model, and vehicle identification number of
7 the vehicle;

8 (3) Give the location of the facility where the vehicle is held;

9 (4) (i) Inform the owner and secured party of the owner's and secured
10 party's right to reclaim the vehicle within 3 weeks after the date of the notice, on payment
11 of all towing, preservation, and storage charges resulting from taking or placing the vehicle
12 in custody; or

13 (ii) In Baltimore City and Montgomery County, subject to subsection
14 (a)(2) **AND (3)** of this section, be sent by certified mail, return receipt requested, and inform
15 the owner and secured party of the owner's and secured party's right to reclaim the vehicle
16 within 11 working days after the receipt of the notice, on payment of all towing,
17 preservation, and storage charges resulting from taking or placing the vehicle in custody;
18 and

19 (5) State that the failure of the owner or secured party to exercise this right
20 in the time provided is:

21 (i) A waiver by the owner or secured party of all of the owner's or
22 secured party's right, title, and interest in the vehicle;

23 (ii) A consent to the sale of the vehicle at public auction; and

24 (iii) A consent by the owner other than a lessor to the retention of the
25 vehicle for public purposes as provided in § 25–207 of this subtitle.

26 (c) In Baltimore City, Prince George's County, and Montgomery County, a police
27 department or its agent may seek to recover costs of impoundment, storage, and sale of a
28 vehicle as provided by §§ 25–206.1 and 25–206.2 of this subtitle. If a police department or
29 its agent seeks to apply the provisions of §§ 25–206.1 and 25–206.2 of this subtitle, the
30 notice required by this section shall also state that the failure of the owner or secured party
31 to exercise the right to reclaim the vehicle in the time provided may cause:

32 (1) Continuing liability of the owner for costs of:

33 (i) Impoundment;

(ii) Storage within the chargeable limit for storage as provided in § 25–206.1(b) of this subtitle; and

(iii) Sale of the vehicle; and

(2) Denial of any application by the owner to renew the registration of any vehicle as required by § 25–206.2 of this subtitle.

(D) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO ALLOW FOR ELECTRONIC NOTIFICATION TO THE LAST KNOWN REGISTERED OWNER OF A VEHICLE UNDER SUBSECTION (A)(2) OF THIS SECTION.

25–205.

(a) This section applies if:

(1) The identity of the last registered owner of an abandoned vehicle cannot be determined;

(2) The registration of the vehicle gives no address for the owner;

(3) It is impossible to determine with reasonable certainty the identity and address of each secured party;

(4) The certified mail notice required by § 25–204 of this subtitle is returned as undeliverable; or

(5) The electronic [notice] **NOTICES** authorized under [**§ 25–204**] **§ 25–204(A)(2) OR (3)** of this subtitle [is] **ARE** not acknowledged or [is] **ARE** returned as undeliverable.

(b) Under one of the conditions described in subsection (a) of this section, a police department that takes an abandoned vehicle into custody shall give the required notice by posting a notice complying with the provisions of subsection (c) of this section in the circuit court of the county where the abandoned vehicle was found.

(c) The notice:

(1) May contain multiple listings of abandoned vehicles;

(2) Shall contain the information required by § 25–204 of this subtitle; and

(3) Shall be posted:

(i) Within 15 days of the taking into custody of the vehicle; or

1 (ii) If the notice by posting under this section is made because of the
2 return as undeliverable of a prior notice by certified mail, return receipt requested, bearing
3 a postmark from the United States Postal Service, within 7 days of the return of that prior
4 notice.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.