

HOUSE BILL 320

R7
HB 38/10 – ENV

11r1275

By: **Delegate Frush**

Introduced and read first time: February 2, 2011

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2011

CHAPTER _____

1 AN ACT concerning

2 ~~**Motor Vehicles – Disposal Under Indemnity Agreement – Repeal**~~
3 ~~**Vehicle Laws – Towed and Stored Vehicles – Disposal**~~

4 FOR the purpose of ~~repealing a provision of law that authorizes certain persons to~~
5 ~~transfer certain inoperable motor vehicles to an automotive dismantler and~~
6 ~~recycler or scrap processor without providing a certificate of title or fulfilling~~
7 ~~certain notice requirements; repealing a provision of law that authorizes an~~
8 ~~automotive dismantler and recycler or scrap processor to require certain motor~~
9 ~~vehicle transferors to execute an indemnity agreement; and generally relating~~
10 ~~to the disposal of inoperable motor vehicles providing that an automotive~~
11 ~~dismantler and recycler or scrap processor takes unencumbered title to certain~~
12 ~~inoperable vehicles under certain circumstances; authorizing an automotive~~
13 ~~dismantler and recycler or scrap processor to dispose of certain vehicles under~~
14 ~~certain circumstances; altering the records an automotive dismantler and~~
15 ~~recycler or scrap processor is required to keep for each vehicle acquired; altering~~
16 ~~the time period within which an automotive dismantler and recycler or scrap~~
17 ~~processor is required to electronically transmit the records to the Motor Vehicle~~
18 ~~Administration; requiring an automotive dismantler and recycler or scrap~~
19 ~~processor to electronically transmit the records to the Department of State~~
20 ~~Police for a stolen vehicle inspection; requiring the Department of State Police~~
21 ~~to perform a stolen vehicle inspection, provide certain notice of the result of the~~
22 ~~inspection, and take possession of any vehicle found to be stolen; altering the~~
23 ~~process for the disposal of certain vehicles by an automotive dismantler and~~
24 ~~recycler or scrap processor; establishing certain administrative penalties for~~
25 ~~certain possession of a stolen vehicle by an automotive dismantler and recycler~~

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.



1 or scrap processor; establishing an exception to the prohibition against storing
 2 certain vehicles on private property; repealing a provision of law that exempts
 3 certain vehicles from a certain process governing the disposal of vehicles with
 4 lost or defective titles; requiring certain persons who deliver certain vehicles to
 5 an automotive dismantler and recycler or scrap processor to provide certain
 6 notice to certain persons; establishing certain civil liability for failure to provide
 7 the required notice; authorizing certain persons to reclaim certain vehicles
 8 under certain circumstances; requiring certain persons to provide to an
 9 automotive dismantler and recycler or scrap processor certain documentation of
 10 certain notice; requiring an automotive dismantler and recycler or scrap
 11 processor to keep and make available for inspection by a law enforcement
 12 agency for a certain period of time certain notice documentation; and generally
 13 relating to the disposal of towed and stored vehicles.

14 BY repealing and reenacting, without amendments,
 15 Article – Transportation
 16 Section 15–502(c) and 25–209
 17 Annotated Code of Maryland
 18 (2009 Replacement Volume and 2010 Supplement)

19 BY repealing and reenacting, with amendments,
 20 Article – Transportation
 21 Section 15–502(d), 15–509, 15–511, 15–514, and 25–210
 22 Annotated Code of Maryland
 23 (2009 Replacement Volume and 2010 Supplement)

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

26 **Article – Transportation**

27 15–502.

28 (c) A person may not store on any private property for more than 30 days
 29 any vehicle that is to be dismantled, destroyed, or scrapped, unless the person is an
 30 automotive dismantler and recycler or a scrap processor licensed under this subtitle.

31 (d) This section does not prohibit [an]:

32 (1) AN unlicensed person from transporting a vehicle to a licensed
 33 automotive dismantler and recycler or a licensed scrap processor for dismantling,
 34 destroying, or scrapping; OR

35 (2) A PERSON WHOSE LICENSE HAS BEEN SUSPENDED UNDER §
 36 15–514(B) OF THIS SUBTITLE FROM STORING A VEHICLE THAT IS TO BE

1 DISMANTLED, DESTROYED, OR SCRAPPED IF THE VEHICLE WAS STORED BEFORE
2 THE LICENSE SUSPENSION.

3 15-509.

4 (a) [This section does not apply to any abandoned vehicle that is 8 years old
5 or older and is totally inoperable.

6 (b) If an automotive dismantler and recycler or scrap processor takes
7 possession of a vehicle and does not receive a certificate of title or other documentary
8 evidence of ownership acceptable to the Administration, the automotive dismantler
9 and recycler or scrap processor shall comply with this section.

10 [(c)] (B) [After] EXCEPT FOR AN INOPERABLE VEHICLE DELIVERED
11 UNDER § 25-210(B)(2) OF THIS ARTICLE, AFTER the vehicle has been in the
12 possession of the automotive dismantler and recycler or scrap processor for more than
13 30 days, the automotive dismantler and recycler or scrap processor shall give at least
14 10 days' notice of intent to dispose of the vehicle. The notice shall be sent by certified
15 mail, return receipt requested, bearing a postmark from the United States Postal
16 Service, to:

17 (1) The owner of the vehicle and any secured party, as shown on the
18 records of the Administration; or

19 (2) Any other person who is entitled to possession of the vehicle and
20 whose address is known or reasonably can be obtained.

21 [(d)] (C) (1) The automotive dismantler and recycler or scrap processor
22 takes unencumbered title to the vehicle, without having to obtain a certificate of title
23 for it in his own name, if:

24 (i) He has complied with this section; and

25 (ii) Except as provided in paragraph (2) of this subsection, the
26 vehicle has not been recovered or reclaimed, before the end of the 10-day period
27 specified in the notice, by the owner, secured party, or other person entitled to its
28 possession.

29 (2) [If the address of the owner, secured party, or other person entitled
30 to possession of the vehicle cannot be obtained from the records of the Administration
31 or by the exercise of reasonable diligence, the automotive dismantler and recycler or
32 scrap processor takes unencumbered title to the vehicle, without having to obtain a
33 certificate of title in his own name, after the vehicle has been in his possession for 30
34 days] THE LICENSED AUTOMOTIVE DISMANTLER AND RECYCLER OR SCRAP
35 PROCESSOR TAKES UNENCUMBERED TITLE TO THE VEHICLE, WITHOUT HAVING
36 TO OBTAIN A CERTIFICATE OF TITLE IN THE LICENSEE'S NAME, IF:

1 **(I) AFTER THE VEHICLE HAS BEEN IN THE LICENSEE'S**
2 **POSSESSION FOR 30 DAYS, THE ADDRESS OF THE OWNER, SECURED PARTY, OR**
3 **OTHER PERSON ENTITLED TO POSSESSION OF THE VEHICLE CANNOT BE**
4 **OBTAINED FROM THE RECORDS OF THE ADMINISTRATION OR BY THE EXERCISE**
5 **OF REASONABLE DILIGENCE; OR**

6 **(II) THE LICENSEE IS DELIVERED A VEHICLE UNDER §**
7 **25-210(B)(2) OF THIS ARTICLE BY A PERSON WHO COMPLIED WITH THE NOTICE**
8 **REQUIREMENTS UNDER THAT SECTION.**

9 **[(e)] (D) (1) If an automotive dismantler and recycler or scrap processor**
10 **takes title to a vehicle under this section, the automotive dismantler and recycler or**
11 **scrap processor shall certify this fact to the Administration. The certification shall be**
12 **made in the form that the Administration requires and sent to the Administration**
13 **within 5 days after the automotive dismantler and recycler or scrap processor takes**
14 **title.**

15 **(2) THE AUTOMOTIVE DISMANTLER AND RECYCLER OR SCRAP**
16 **PROCESSOR MAY DISPOSE OF THE VEHICLE AFTER:**

17 **(I) TAKING UNENCUMBERED TITLE TO THE VEHICLE**
18 **UNDER THIS SECTION; AND**

19 **(II) RECEIVING NOTICE FROM THE DEPARTMENT OF STATE**
20 **POLICE UNDER § 15-511 OF THIS SUBTITLE THAT THE VEHICLE IS NOT STOLEN.**

21 **15-511.**

22 **(a) Each LICENSED automotive dismantler and recycler and each scrap**
23 **processor shall keep an accurate and complete record of all vehicles acquired in his**
24 **business.**

25 **(b) The [records] RECORD shall contain, for each vehicle acquired:**

26 **(1) THE NAME, ADDRESS, AND CONTACT INFORMATION FOR THE**
27 **LICENSEE;**

28 **(2) The name and address of the person from whom the vehicle was**
29 **acquired;**

30 **[(2)] (3) THE VEHICLE IDENTIFICATION NUMBER FOR THE**
31 **VEHICLE;**

32 **(4) The date on which [it] THE VEHICLE was acquired;**

1 ~~[(3)]~~ **(5) A STATEMENT OF WHETHER THE VEHICLE IS TO BE**
2 **DESTROYED, OFFERED FOR SALE, OR OTHERWISE DISPOSED;**

3 **(6) WHETHER THE VEHICLE IS INTENDED FOR EXPORT OUT OF**
4 **THE COUNTRY;**

5 **(7) Documentary evidence acceptable to the Administration of**
6 **ownership of the vehicle; and**

7 ~~[(4)]~~ **(8) Any other information that the Administration requires.**

8 **(c) (1) (I) Except as provided in paragraph (3) of this subsection,**
9 **[within 30 days after an automotive dismantler and recycler or scrap processor**
10 **acquires title to a vehicle, the] A LICENSED automotive dismantler and recycler or**
11 **scrap processor shall, [electronically and in a form prescribed by the Administration,**
12 **notify the] BY THE END OF THE NEXT BUSINESS DAY AFTER THE LICENSEE**
13 **ACQUIRES A VEHICLE, ELECTRONICALLY TRANSMIT A COPY OF THE REQUIRED**
14 **RECORD TO:**

15 **1. THE Administration or the Administration's designee**
16 **[of the acquisition] IN A FORM PRESCRIBED BY THE ADMINISTRATION; AND**

17 **2. THE DEPARTMENT OF STATE POLICE OR THE**
18 **DEPARTMENT'S DESIGNEE IN A FORM PRESCRIBED BY THE DEPARTMENT FOR A**
19 **STOLEN VEHICLE INSPECTION.**

20 **(II) THE DEPARTMENT OF STATE POLICE OR THE**
21 **DEPARTMENT'S DESIGNEE SHALL:**

22 **1. NOTIFY THE LICENSEE OF THE RESULTS OF THE**
23 **STOLEN VEHICLE INSPECTION AS SOON AS FEASIBLE; AND**

24 **2. TAKE POSSESSION OF ANY VEHICLE DETERMINED**
25 **TO BE STOLEN.**

26 **(2) [Immediately after giving the] EXCEPT FOR A LICENSEE THAT IS**
27 **IN THE PROCESS OF TAKING UNENCUMBERED TITLE TO A VEHICLE UNDER §**
28 **15-509(C)(2)(I) OF THIS SUBTITLE, IMMEDIATELY AFTER RECEIVING notice**
29 **[required] THAT A VEHICLE IS NOT A STOLEN VEHICLE under paragraph (1) of this**
30 **subsection, the automotive dismantler and recycler or scrap processor may dispose of**
31 **the vehicle [for dismantling or scrapping].**

1 (3) Paragraph (1) of this subsection does not apply to a vehicle
2 acquired through a salvage certificate issued by the Administration or by the
3 appropriate government agency of another state.

4 15-514.

5 (a) In addition to the other grounds specified in Subtitle 1 of this title for
6 refusal, suspension, or revocation of a license, the Administration may refuse to grant
7 a license under this subtitle to any person and may suspend, revoke, or refuse to
8 renew the license of any person if it finds that the person has violated any applicable
9 rule or regulation of the Department of Health and Mental Hygiene.

10 (b) THE ADMINISTRATION MAY IMPOSE THE FOLLOWING PENALTIES ON
11 A LICENSED AUTOMOTIVE DISMANTLER AND RECYCLER OR SCRAP PROCESSOR
12 IF A STOLEN VEHICLE THAT WAS NOT REPORTED TO THE DEPARTMENT OF
13 STATE POLICE UNDER § 15-511(C) OF THIS SUBTITLE IS FOUND ON THE
14 PROPERTY OF THE LICENSEE:

15 (1) FOR A FIRST OFFENSE, A LICENSE SUSPENSION OF 5 DAYS;

16 (2) FOR A SECOND OFFENSE, A LICENSE SUSPENSION OF 30 DAYS;

17 AND

18 (3) FOR A THIRD OR SUBSEQUENT OFFENSE, LICENSE
19 REVOCAION.

20 (C) As to any person licensed under this subtitle, instead of or in addition to
21 revocation, suspension, or refusal to renew a license under this section, the
22 Administration may order the licensee to pay a fine not exceeding \$1,000 for each
23 violation of this subtitle.

24 25-209.

25 (a) Any person who possesses or on whose property is found an abandoned
26 vehicle and any person who owns a vehicle, for which the certificate of title is
27 defective, lost, or destroyed, may apply to the police department of the jurisdiction in
28 which the vehicle is located for authority to transfer the vehicle to an automotive
29 dismantler and recycler or scrap processor.

30 (b) The application shall include:

31 (1) The name and address of the applicant;

32 (2) The year, make, model, and vehicle identification number of the
33 vehicle, if ascertainable, and any other identifying features of the vehicle;

1 (3) A concise statement of the facts about the abandonment of the
2 vehicle or the loss, destruction, or defect of the certificate of title of the vehicle; and

3 (4) An affidavit stating that the facts alleged in the application are
4 true and that no material fact has been withheld.

5 (c) If a police department finds that the application is executed in proper
6 form and shows either that the vehicle has been abandoned on the property of the
7 applicant or, if the vehicle is not abandoned, that the applicant appears to be the
8 rightful owner, the police department shall follow the notification procedures of §§
9 25–204 and 25–205 of this subtitle.

10 (c–1) If the applicant submits with the application documentary proof that the
11 notification procedures of §§ 25–204 and 25–205 of this subtitle already have been
12 complied with, the police department may accept the document as proof of compliance
13 and the department is not required to provide this notification.

14 (d) (1) If an abandoned vehicle is not reclaimed in the time required by
15 this subtitle, the police department shall give the applicant a certificate of authority to
16 transfer the vehicle to:

17 (i) Any automotive dismantler and recycler for:

18 1. Dismantling, destroying, or scrapping; or

19 2. Salvaging as authorized under § 13–506 of this
20 article; or

21 (ii) Any scrap processor for dismantling, destroying, or
22 scrapping.

23 (2) The automotive dismantler and recycler or scrap processor shall
24 accept the certificate of authority instead of the certificate of title of the vehicle.

25 (3) The automotive dismantler and recycler may apply for a salvage
26 certificate as provided in § 13–506 of this article.

27 ~~§~~25–210.

28 (a) The following persons may transfer a vehicle under this section:

29 (1) Any person who possesses or on whose property any abandoned
30 vehicle is found;

31 (2) Any person who owns a vehicle for which the certificate of title is
32 defective, lost, or destroyed; or

1 (3) Any agent designated and authorized by a government agency to
2 remove an abandoned vehicle from public or private property.

3 (b) ~~(1) Notwithstanding any other provision of this subtitle~~ **SUBJECT TO**
4 **PARAGRAPH (2) OF THIS SUBSECTION**, if the vehicle is more than 8 years old and
5 has no engine or otherwise is totally inoperable, any person described in subsection (a)
6 of this section may transfer the vehicle to **ANOTHER PERSON FOR DELIVERY TO** an
7 automotive dismantler and recycler or scrap processor without a certificate of title ~~and~~
8 ~~without following the notification procedures of §§ 25-204 and 25-205 of this subtitle.~~

9 **(2) (I) A PERSON TO WHOM A VEHICLE IS TRANSFERRED FOR**
10 **DELIVERY TO AN AUTOMOTIVE DISMANTLER AND RECYCLER OR SCRAP**
11 **PROCESSOR UNDER THIS SUBSECTION SHALL:**

12 **1. BY THE END OF THE NEXT BUSINESS DAY AFTER**
13 **TRANSFER, TRANSMIT ELECTRONICALLY TO THE ADMINISTRATION OR THE**
14 **ADMINISTRATION'S DESIGNEE THE RECORD OF THE VEHICLE TRANSFER IN A**
15 **FORM PRESCRIBED BY THE ADMINISTRATION;**

16 **2. PERFORM THE NOTIFICATION PROCEDURES**
17 **REQUIRED FOR POLICE DEPARTMENTS UNDER §§ 25-204 AND 25-205 OF THIS**
18 **SUBTITLE BEFORE DELIVERING THE VEHICLE; AND**

19 **3. BE LIABLE FOR TREBLE DAMAGES FOR FAILURE**
20 **TO COMPLY WITH THE NOTIFICATION PROCEDURES.**

21 **(II) NOTWITHSTANDING § 25-204(B)(4) OF THIS SUBTITLE,**
22 **AN OWNER OR SECURED PARTY MAY RECLAIM THE VEHICLE WITHIN 30 DAYS**
23 **AFTER THE DATE OF THE NOTICE, ON PAYMENT OF ALL TOWING,**
24 **PRESERVATION, AND STORAGE CHARGES RESULTING FROM TAKING OR**
25 **PLACING THE VEHICLE IN CUSTODY.**

26 **(III) 1. A PERSON WHO DELIVERS A VEHICLE TO A**
27 **LICENSED AUTOMOTIVE DISMANTLER AND RECYCLER OR SCRAP PROCESSOR**
28 **UNDER THIS SECTION SHALL PROVIDE TO THE LICENSEE FULL**
29 **DOCUMENTATION OF THE NOTICE PROVIDED UNDER THIS SECTION.**

30 **2. AN AUTOMOTIVE DISMANTLER AND RECYCLER OR**
31 **SCRAP PROCESSOR SHALL KEEP THE NOTICE DOCUMENTATION ON FILE FOR 3**
32 **YEARS AND MAKE THE DOCUMENTATION AVAILABLE FOR INSPECTION BY ANY**
33 **LAW ENFORCEMENT AGENCY.**

34 (c) An automotive dismantler and recycler or scrap processor may require a
35 person who ~~transfers~~ **DELIVERS** a vehicle under subsection (b) of this section, to
36 execute an indemnity agreement on a form prescribed by the Administration.

1 (d) In those cases described in subsection (b) of this section, an automotive
2 dismantler and recycler or a scrap processor whose plant is physically located and
3 operating in this State may file with the Administration the indemnity agreement
4 described in subsection (c) of this section that identifies the vehicle and contains the
5 name, address, and signature of the person delivering it.‡

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.