

SENATE BILL 788

R7

0lr1462
CF 0lr1915

By: **Senator Pugh (Task Force to Study Motor Vehicle Towing Practices)**

Introduced and read first time: February 10, 2010

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles – Towing Practices and Procedures**

3 FOR the purpose of establishing a motor vehicle towing and storage lien on a towed
4 motor vehicle on behalf of the tower for certain towing and storage charges;
5 prohibiting a motor vehicle towing and storage lienor from selling the motor
6 vehicle to which the lien is attached under certain circumstances; establishing
7 certain notice and publication requirements for the public sale of a towed
8 vehicle; requiring the Administration to issue a salvage certificate to the
9 purchaser of a vehicle subject to a motor vehicle towing and storage lien under
10 certain circumstances; requiring certain motor vehicle towing and storage
11 lienors to file a certain court action in a certain manner under certain
12 circumstances; requiring the Motor Vehicle Administration to issue a certificate
13 of title that contains a conspicuous “salvage” notation under certain
14 circumstances; clarifying the application of certain security requirements for
15 tow trucks; altering certain security requirements for tow trucks; altering
16 certain penalties for certain violations related to tow truck vehicle registration;
17 providing for the statewide application of certain provisions of law governing
18 the towing or removal of vehicles from parking lots; altering the content
19 required on certain signage related to the towing and storage of vehicles;
20 altering the maximum distance that a vehicle towed from a parking lot may be
21 transported for storage, subject to a certain exception; altering certain
22 maximum amounts that a person may charge for towing and storing a vehicle;
23 altering the time period within which a tower is required to provide certain
24 notice to certain police departments; requiring a tower to obtain certain
25 photographic evidence from the parking lot owner before towing a vehicle from a
26 parking lot; prohibiting a tower from towing a vehicle for a certain violation
27 within a certain time period; altering the storage facility to which a tower is
28 required to transport a towed vehicle; prohibiting the removal of a towed vehicle
29 from a certain storage facility for a certain time period; clarifying the required
30 opportunity that certain persons must provide for the reclamation of a towed
31 vehicle; requiring a tower to release a towed vehicle to certain persons under

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain circumstances; requiring a storage facility for towed vehicles to accept
 2 payment in a certain manner and to make an automatic teller machine
 3 available on the premises; altering the persons eligible to seek certain civil
 4 damages from a tower under certain circumstances; altering certain penalties
 5 for certain towing violations; establishing certain penalties for violations
 6 relating to motor vehicle towing and storage liens; making a certain stylistic
 7 change; making a certain technical correction; altering a certain definition; and
 8 generally relating to motor vehicle towing practices and procedures.

9 BY repealing and reenacting, with amendments,
 10 Article – Commercial Law
 11 Section 16–202(c) and 16–207
 12 Annotated Code of Maryland
 13 (2005 Replacement Volume and 2009 Supplement)

14 BY repealing and reenacting, without amendments,
 15 Article – Commercial Law
 16 Section 16–206
 17 Annotated Code of Maryland
 18 (2005 Replacement Volume and 2009 Supplement)

19 BY repealing and reenacting, with amendments,
 20 Article – Transportation
 21 Section 11–152, 13–507, 13–920, 21–10A–01 through 21–10A–06, and 27–101(c)
 22 Annotated Code of Maryland
 23 (2009 Replacement Volume and 2009 Supplement)

24 BY repealing and reenacting, without amendments,
 25 Article – Transportation
 26 Section 13–506(c) and 27–101(a) and (b)
 27 Annotated Code of Maryland
 28 (2009 Replacement Volume and 2009 Supplement)

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

31 **Article – Commercial Law**

32 16–202.

33 (c) (1) Any person who, with the consent of the owner, has custody of a
 34 motor vehicle and who, at the request of the owner, provides a service to or materials
 35 for the motor vehicle, has a lien on the motor vehicle for any charge incurred for any:

36 (i) Repair or rebuilding;

37 (ii) Storage; or

1 (iii) Tires or other parts or accessories.

2 (2) A lien is created under this subsection when any charges set out
3 under paragraph (1) of this subsection giving rise to the lien are incurred.

4 **(3) FOR A MOTOR VEHICLE WITH A GROSS VEHICLE WEIGHT**
5 **RATING OF 10,000 POUNDS OR LESS, ANY PERSON WHO TOWS OR REMOVES**
6 **FROM A PARKING LOT MOTOR VEHICLES ON BEHALF OF A PRIVATE PARKING**
7 **LOT OWNER IN ACCORDANCE WITH TITLE 21, SUBTITLE 10A OF THE**
8 **TRANSPORTATION ARTICLE HAS A LIEN ON THE MOTOR VEHICLE FOR ANY**
9 **CHARGE INCURRED FOR THE TOWING AND STORAGE OF THAT MOTOR VEHICLE.**

10 16–206.

11 (a) (1) If the owner of property subject to a lien disputes any part of the
12 charge for which the lien is claimed, he may institute appropriate judicial proceedings.

13 (2) Institution of the proceedings stays execution under the lien until a
14 final judicial determination of the dispute.

15 (b) (1) If the owner of property subject to a lien disputes any part of the
16 charge for which the lien is claimed, he immediately may repossess his property by
17 filing a corporate bond for double the amount of the charge claimed.

18 (2) The bond shall be filed with and is subject to the approval of the
19 clerk of the court of the county where the services or materials for which the lien is
20 claimed were provided.

21 (3) The bond shall be conditioned on:

22 (i) Full payment of the final judgment of the claim, together
23 with interest;

24 (ii) All costs incident to the bringing of suit; and

25 (iii) All cost and expenses which result from the enforcement of
26 the lien and are incurred before the lienor was notified that the bond was filed.

27 (4) Filing of the bond stays execution under the lien until final judicial
28 determination of the dispute.

29 (5) If service of process by a lienor on the owner is returned non est
30 after filing of a bond, service may be made by publication as in the case of a suit
31 against a nonresident.

32 (6) If suit is not instituted by the lienor within six months after the
33 bond is filed, the bond is discharged.

1 16–207.

2 (a) (1) [If] SUBJECT TO SUBSECTION (G) OF THIS SECTION WITH
 3 RESPECT TO MOTOR VEHICLE TOWING AND STORAGE LIENS, AND EXCEPT AS
 4 PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF the charges which give rise
 5 to a lien are due and unpaid for 30 days and the lienor is in possession of the property
 6 subject to the lien, the lienor may sell the property to which the lien attaches at public
 7 sale. The sale shall be in a location convenient and accessible to the public and shall be
 8 held between the hours of 10 a.m. and 6 p.m.

9 (2) A MOTOR VEHICLE TOWING AND STORAGE LIENOR MAY NOT
 10 SELL THE MOTOR VEHICLE TO WHICH THE LIEN IS ATTACHED UNLESS THE
 11 LIENOR IS LICENSED FOR THE TOWING AND REMOVAL OF MOTOR VEHICLES BY
 12 THE LOCAL JURISDICTION IN WHICH THE MOTOR VEHICLE WAS ACQUIRED.

13 (b) (1) [The] SUBJECT TO SUBSECTION (B–1)(1) AND (2) OF THIS
 14 SECTION, THE lienor shall publish notice of the time, place, and terms of the sale and
 15 a full description of the property to be sold once a week for the two weeks immediately
 16 preceding the sale in one or more newspapers of general circulation in the county
 17 where the sale is to be held.

18 (2) In addition, EXCEPT AS PROVIDED IN SUBSECTION (B–1)(3) OF
 19 THIS SECTION, the lienor shall send the notice by registered or certified mail at least
 20 10 days before the sale to:

21 (i) The owner of the property, all holders of perfected security
 22 interests in the property and, in the case of a sale of a motor vehicle or mobile home,
 23 the Motor Vehicle Administration;

24 (ii) The person who incurred the charges which give rise to the
 25 lien, if the address of the owner is unknown and cannot be ascertained by the exercise
 26 of reasonable diligence; or

27 (iii) “General delivery” at the post office of the city or county
 28 where the business of the lienor is located, if the address of both the owner and the
 29 person who incurred the charges is unknown and cannot be ascertained by the
 30 exercise of reasonable diligence.

31 (B–1) FOR A MOTOR VEHICLE TOWING AND STORAGE LIEN:

32 (1) NOTICE REQUIRED UNDER SUBSECTION (B)(1) OF THIS
 33 SECTION SHALL INCLUDE THE NAMES OF THE OWNER OF THE MOTOR VEHICLE
 34 AND ANY KNOWN SECURED PARTY; AND

35 (2) ANY REQUIRED NEWSPAPER PUBLICATION SHALL BE:

1 **(I) PUBLISHED ONCE A WEEK FOR THE 3 WEEKS**
2 **IMMEDIATELY PRECEDING THE PUBLIC SALE; AND**

3 **(II) PUBLISHED IN A NEWSPAPER OF GENERAL**
4 **CIRCULATION IN THE COUNTY IN WHICH THE MOTOR VEHICLE WAS ACQUIRED;**

5 **(3) THE LIENOR ALSO SHALL SEND A NOTICE BY CERTIFIED MAIL,**
6 **RETURN RECEIPT REQUESTED, AND A NOTICE BY FIRST-CLASS MAIL AT LEAST**
7 **30 DAYS BEFORE THE PUBLIC SALE TO:**

8 **(I) THE LAST KNOWN REGISTERED OWNER OF THE MOTOR**
9 **VEHICLE AND EACH SECURED PARTY, AS SHOWN IN THE RECORDS OF THE**
10 **MOTOR VEHICLE ADMINISTRATION; OR**

11 **(II) THE PERSON WHO INCURRED THE CHARGES THAT GIVE**
12 **RISE TO THE LIEN, IF THE ADDRESS OF THE OWNER IS UNKNOWN AND CANNOT**
13 **BE DETERMINED BY THE EXERCISE OF REASONABLE DILIGENCE.**

14 **(4) THE NOTICE SHALL:**

15 **(I) STATE THAT THE MOTOR VEHICLE HAS BEEN TAKEN**
16 **INTO CUSTODY;**

17 **(II) DESCRIBE THE YEAR, MAKE, MODEL, AND VEHICLE**
18 **IDENTIFICATION NUMBER OF THE MOTOR VEHICLE;**

19 **(III) GIVE THE LOCATION OF THE STORAGE FACILITY WHERE**
20 **THE MOTOR VEHICLE IS HELD;**

21 **(IV) INFORM THE OWNER AND ANY SECURED PARTY OF ANY**
22 **RIGHT TO RECLAIM THE MOTOR VEHICLE WITHIN THE TIME REQUIRED; AND**

23 **(V) STATE THAT THE FAILURE OF THE OWNER OR SECURED**
24 **PARTY TO EXERCISE THE RIGHT TO RECLAIM THE MOTOR VEHICLE IN THE TIME**
25 **REQUIRED MAY RESULT IN A PUBLIC SALE OF THE VEHICLE; AND**

26 **(5) THE LIENOR SHALL PUBLISH ELECTRONIC NOTICE OF THE**
27 **PUBLIC SALE ON A WEBSITE DETERMINED BY REGULATIONS OF THE MOTOR**
28 **VEHICLE ADMINISTRATION.**

29 **(c) If a motor vehicle or mobile home which is subject to a lien is delivered by**
30 **the lienor to the possession of a third party for storage, and the charges for storage are**
31 **due and unpaid for 30 days or more, the third party holder is deemed to hold a**

1 perfected security interest in the motor vehicle or mobile home notwithstanding §
2 13–202 of the Transportation Article and may sell the motor vehicle or mobile home in
3 the same manner as the lienor under this section if he has first published and sent
4 notice as required of the lienor under this subtitle.

5 (d) (1) Except as provided in § 13–110 of the Transportation Article **AND**
6 **SUBSECTION (D–1) OF THIS SECTION**, the Motor Vehicle Administration shall issue
7 a **CERTIFICATE OF** title, free and clear of any lien, to the purchaser of any motor
8 vehicle or mobile home sold under this section, if the holder of the lien on the motor
9 vehicle or mobile home submits to the Motor Vehicle Administration a completed
10 application for a certificate of title with:

11 (i) A copy of the newspaper publication required by subsection
12 (b) of this section;

13 (ii) A copy of **EACH OF** the registered [or certified letter],
14 **CERTIFIED, OR FIRST–CLASS LETTERS** required under [subsection] **SUBSECTIONS**
15 (b) **AND (B–1)** of this section to be sent to holders of perfected security interests in the
16 motor vehicle or mobile home and the Motor Vehicle Administration, and the return
17 card;

18 (iii) A copy of the registered or certified letters required by
19 subsection (b) of this section to be sent to the owner of the motor vehicle or mobile
20 home, and the return card;

21 (iv) If applicable, a written statement from the lienor that the
22 lienor stored the vehicle in accordance with an agreement with an insurer;

23 (v) An auctioneer’s receipt;

24 (vi) If applicable, certification by holders of perfected security
25 interests;

26 (vii) In the case of mobile homes manufactured after 1976 and
27 motor vehicles, a pencil tracing of the vehicle identification number or a statement
28 certifying the vehicle identification number; and

29 (viii) Any other reasonable information required in accordance
30 with regulations adopted by the Administration.

31 (2) The Department of Natural Resources shall issue a title, free and
32 clear of any liens, to the purchaser of any boat sold under this section.

33 **(D–1) THE MOTOR VEHICLE ADMINISTRATION SHALL ISSUE A SALVAGE**
34 **CERTIFICATE, FREE AND CLEAR OF ANY LIEN, TO THE PURCHASER OF ANY**
35 **MOTOR VEHICLE SOLD UNDER THIS SECTION THAT IS SUBJECT TO A MOTOR**
36 **VEHICLE TOWING AND STORAGE LIEN, IF THE HOLDER OF THE LIEN ON THE**

1 MOTOR VEHICLE SUBMITS TO THE MOTOR VEHICLE ADMINISTRATION A
2 COMPLETED APPLICATION FOR A SALVAGE CERTIFICATE WITH:

3 (1) THE DOCUMENTS A LIENOR IS REQUIRED TO SUBMIT WITH AN
4 APPLICATION FOR A CERTIFICATE OF TITLE UNDER SUBSECTION (D)(1)(I)
5 THROUGH (VI) OF THIS SECTION;

6 (2) A PENCIL TRACING AND PHOTOGRAPH OF THE VEHICLE
7 IDENTIFICATION NUMBER OR A STATEMENT CERTIFYING THE VEHICLE
8 IDENTIFICATION NUMBER;

9 (3) A COPY OF THE NATIONWIDE VEHICLE HISTORY REPORT;

10 (4) IN THE CASE OF A MOTOR VEHICLE BEING PURCHASED BY A
11 NONINDIVIDUAL, THE FEDERAL TAX IDENTIFICATION NUMBER OR THE
12 MARYLAND COMPTROLLER TAX IDENTIFICATION NUMBER;

13 (5) THE DRIVER'S LICENSE OR IDENTIFICATION NUMBER AND
14 STATE OF ISSUANCE OF THE PERSON APPLYING FOR THE SALVAGE
15 CERTIFICATE; AND

16 (6) ANY OTHER REASONABLE INFORMATION REQUIRED IN
17 ACCORDANCE WITH REGULATIONS ADOPTED BY THE MOTOR VEHICLE
18 ADMINISTRATION.

19 (e) (1) If the notice required under § 16–203(b) of this subtitle was sent,
20 the proceeds of a sale under this section shall be applied, in the following order, to:

21 (i) The expenses of giving notice and holding the sale, including
22 reasonable attorney's fees;

23 (ii) Subject to subsection (f) of this section, storage fees of the
24 third party holder;

25 (iii) The amount of the lien claimed exclusive of any storage fees
26 except as provided in subsection (f)(2) of this section;

27 (iv) A purchase money security interest; and

28 (v) Any remaining secured parties of record who shall divide the
29 remaining balance equally if there are insufficient funds to completely satisfy their
30 respective interests, but not to exceed the amount of a security interest.

31 (2) Except as provided in paragraph (3) of this subsection, if the notice
32 required under § 16–203(b) of this subtitle was not sent, the proceeds of a sale under
33 this section shall be applied, in the following order, to:

- 1 (i) A purchase money security interest;
- 2 (ii) All additional holders of perfected security interests in the
3 property;
- 4 (iii) The expenses of giving notice and holding the sale, including
5 reasonable attorney's fees;
- 6 (iv) Subject to subsection (f) of this section, storage fees of the
7 third party holder;
- 8 (v) The amount of the lien claimed exclusive of any storage fees
9 except as provided in subsection (f)(2) of this section;
- 10 (vi) Any remaining secured parties of record who shall divide the
11 remaining balance equally if there are insufficient funds to completely satisfy their
12 respective interest, but not to exceed the amount of a security interest.

13 (3) For a motor vehicle lien created under this subtitle, if the notice
14 required under § 16–203(b) of this subtitle was not sent:

- 15 (i) The proceeds of a sale under this section shall be applied in
16 the order described in paragraph (1) of this subsection; and
- 17 (ii) The amount of the lien claimed in paragraph (1)(iii) of this
18 subsection may not include any amount for storage charges incurred or imposed by the
19 lienor.

20 (4) After application of the proceeds in accordance with paragraph (1)
21 or (2) of this subsection, any remaining balance shall be paid to the owner of the
22 property.

23 (f) (1) **[If] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**
24 **SUBSECTION, IF** property is stored, storage fees of the third party holder may not
25 exceed \$5 per day or a total of \$300.

26 (2) The exclusion or limitation of any storage fees as provided in
27 subsections (e)(1)(iii) and (f)(1) of this section does not apply to any person who
28 conducts auctions as a business in this State, and is required to maintain records
29 under § 15–113 in the Transportation Article, and that person is also exempt from the
30 maximum storage fee limits under this subsection.

31 (3) The notice requirements of § 16–203(b) of this subtitle do not apply
32 when:

1 (i) The lienor conducts auctions as a business in this State and
2 is required to maintain records under § 15–113 of the Transportation Article; and

3 (ii) The lien arises out of that business.

4 (4) FOR A MOTOR VEHICLE WITH A GROSS VEHICLE WEIGHT
5 RATING OF 10,000 POUNDS OR LESS TOWED IN ACCORDANCE WITH TITLE 21,
6 SUBTITLE 10A OF THE TRANSPORTATION ARTICLE, THE TOTAL TOWING AND
7 STORAGE FEES MAY NOT EXCEED \$1,200.

8 (G) FOR A MOTOR VEHICLE TOWING AND STORAGE LIEN ON A MOTOR
9 VEHICLE THAT IS VALUED AT MORE THAN \$7,500 AS SHOWN IN A NATIONAL
10 PUBLICATION OF USED MOTOR VEHICLE VALUES ADOPTED FOR USE BY THE
11 MOTOR VEHICLE ADMINISTRATION, THE LIENOR SHALL:

12 (1) FILE AN ACTION IN CIRCUIT COURT FOR A DECLARATORY
13 JUDGMENT TO SELL THE MOTOR VEHICLE AND PROPERLY DISPOSE OF THE
14 PROCEEDS OF THE SALE; AND

15 (2) PROPERLY JOIN ALL PARTIES IN THE ACTION, INCLUDING
16 ANY SECURED PARTY.

17 (H) A PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION THAT
18 GOVERN A MOTOR VEHICLE TOWING AND STORAGE LIEN IS SUBJECT TO A FINE
19 NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

20 Article – Transportation

21 11–152.

22 (a) “Salvage” means any vehicle that:

23 (1) Has been damaged by collision, fire, flood, accident, trespass, or
24 other occurrence to the extent that the cost to repair the vehicle for legal operation on
25 a highway exceeds 75% of the fair market value of the vehicle prior to sustaining the
26 damage;

27 (2) Has been acquired by an insurance company as a result of a claim
28 settlement; [or]

29 (3) Has been acquired by an automotive dismantler and recycler:

30 (i) As an abandoned vehicle, as defined under § 25–201 of this
31 article; or

32 (ii) For rebuilding or for use as parts only; OR

1 **(4) HAS BEEN ACQUIRED AT A PUBLIC SALE IN ACCORDANCE**
2 **WITH TITLE 25, SUBTITLE 2 OF THIS ARTICLE OR § 16-207 OF THE**
3 **COMMERCIAL LAW ARTICLE.**

4 (b) For purposes of this section, a vehicle has not been acquired by an
5 insurance company if an owner retains possession of the vehicle upon settlement of a
6 claim concerning the vehicle by the insurance company.

7 13-506.

8 (c) (1) Except as provided in § 13-507(b)(5) of this subtitle, for each
9 vehicle that is acquired as a result of a claim settlement arising from an accident that
10 occurred in the State, an insurance company or its authorized agent shall apply:

11 (i) For a salvage certificate on a form provided by the
12 Administration for a vehicle titled in the State; or

13 (ii) Electronically for a salvage certificate for a vehicle titled in a
14 foreign jurisdiction.

15 (2) The application under paragraph (1) of this subsection shall be
16 accompanied by:

17 (i) The certificate of title of the vehicle;

18 (ii) A statement by the insurance company that:

19 1. The cost to repair the vehicle for highway operation is
20 greater than 75% of the fair market value of the vehicle prior to sustaining the
21 damage for which the claim was paid and the vehicle is repairable;

22 2. The cost to repair the vehicle for highway operation is
23 greater than 75% of the fair market value of the vehicle prior to sustaining the
24 damage for which the claim was paid and the damage to the vehicle is cosmetic only;

25 3. The vehicle is not rebuildable, will be used for parts
26 only, and is not to be retitled;

27 4. The vehicle has been stolen; or

28 5. The vehicle has sustained flood damage; and

29 (iii) A fee established by the Administration.

30 (3) Subject to the provisions of § 13-507(c)(2) of this subtitle, a salvage
31 certificate issued under this paragraph shall contain a conspicuous notation by the

1 Administration that describes which of the statements under paragraph (2)(ii) of this
2 subsection applies to the vehicle.

3 13–507.

4 (a) (1) An application for a certificate of title of a vehicle for which a
5 salvage certificate has been issued shall be made by the owner of the vehicle on a form
6 that the Administration requires.

7 (2) An application under paragraph (1) of this subsection shall be
8 accompanied by:

9 (i) Except as provided in subsection (c)(3) of this section, the
10 salvage certificate for the vehicle;

11 (ii) A certificate of inspection issued by a county police
12 department or the Department of State Police; and

13 (iii) A certificate of inspection as required under Title 23 of this
14 article.

15 (3) (i) The Administration may establish a fee for an inspection
16 under paragraph (2)(ii) of this subsection.

17 (ii) 1. The fees established under this paragraph shall be
18 collected by the Administration or the Automotive Safety Enforcement Division of the
19 Department of State Police.

20 2. The fees collected under this subparagraph shall be
21 paid to the Automotive Safety Enforcement Division of the Department of State Police
22 for the purpose of recovering the cost of administering the salvage inspection program
23 and may not be credited to the Gasoline and Motor Vehicle Revenue Account for
24 distribution under § 8–403 or § 8–404 of this article.

25 (b) (1) The certificate of title issued by the Administration shall be:

26 (i) Issued in the name of the applicant; and

27 (ii) In a form as provided in this subsection.

28 (2) (i) The Administration shall issue a certificate of title that
29 contains a conspicuous notation that the vehicle is “rebuilt salvage” if the salvage
30 certificate accompanying the application bears a notation under § 13–506(c)(2)(ii)1 of
31 this subtitle.

32 (ii) The Administration may not issue a certificate of title for a
33 vehicle if the salvage certificate for the vehicle bears a notation under §
34 13–506(c)(2)(ii)3 of this subtitle.

1 (3) The Administration shall issue a certificate of title that contains a
2 conspicuous notation that the vehicle sustained cosmetic damage if the salvage
3 certificate accompanying the application bears a notation under § 13–506(c)(2)(ii)2 of
4 this subtitle.

5 (4) The Administration shall issue a certificate of title that contains a
6 conspicuous notation that the vehicle is “Flood Damaged” if the salvage certificate
7 accompanying the application bears a notation under § 13–506(c)(2)(ii)5 of this
8 subtitle.

9 (5) Except for a flood damaged vehicle, the Administration shall issue
10 a certificate of title that does not bear a notation or other similar statement under this
11 section if an insurance company makes a claim settlement on a vehicle that has
12 sustained damage that costs 75% or less than the fair market value of the vehicle to
13 repair.

14 **(6) THE ADMINISTRATION SHALL ISSUE A CERTIFICATE OF TITLE**
15 **THAT CONTAINS A CONSPICUOUS NOTATION THAT THE VEHICLE IS “SALVAGE”**
16 **IF THE SALVAGE CERTIFICATE ACCOMPANYING THE APPLICATION BEARS A**
17 **NOTATION UNDER § 13–506(C) OF THIS SUBTITLE.**

18 (c) (1) When an insurance company makes a claim settlement on a
19 vehicle that has been stolen, the company shall apply for a salvage certificate as
20 provided in § 13–506(c) of this subtitle.

21 (2) On receipt of an application under this subsection, the
22 Administration:

23 (i) Shall make the appropriate notation in its records; and

24 (ii) May not issue the salvage certificate until the vehicle is
25 recovered.

26 (3) When a vehicle that has been stolen is recovered, the
27 Administration shall:

28 (i) Issue a salvage certificate for the vehicle if the insurance
29 company submits a certification under § 13–506(c)(2)(ii)1, 2, 3, or 5 of this subtitle; or

30 (ii) Issue a certificate of title in the name of the insurance
31 company in lieu of a salvage certificate if the insurance company states that the
32 vehicle has sustained damage, except for flood damage, that costs 75% or less than the
33 fair market value of the vehicle to repair.

34 (4) The provisions of subsection (b) of this section apply to a certificate
35 of title issued under this subsection.

1 (5) A vehicle for which a certificate of title was issued under
 2 paragraph (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in
 3 § 13–810(a)(9) of this title.

4 (d) If the Administration receives an application for a certificate of title for a
 5 vehicle accompanied by an ownership document issued by another state containing a
 6 notation under the laws of the issuing state that the vehicle is in a condition that is
 7 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the
 8 certificate of title issued by the Administration shall contain a similar notation.

9 (e) The Administration may adopt regulations to implement this section.

10 13–920.

11 (a) (1) In this section, “tow truck” means a vehicle that:

12 (i) Is a Class E (truck) vehicle that is designed to lift, pull, or
 13 carry a vehicle by a hoist or mechanical apparatus;

14 (ii) Has a manufacturer’s gross vehicle weight rating of 10,000
 15 pounds or more; and

16 (iii) Is equipped as a tow truck or designed as a rollback as
 17 defined in § 11–151.1 of this article.

18 (2) In this section, “tow truck” does not include a truck tractor as
 19 defined in § 11–172 of this article.

20 (b) When registered with the Administration every tow truck as defined in
 21 this section is a Class T vehicle.

22 (c) A tow truck registered under this section may be used to tow vehicles for
 23 repair, storage, or removal from the highway.

24 (d) (1) Subject to the provisions of paragraph (2) of this subsection, for
 25 each vehicle registered under this section, the annual registration fee is based on the
 26 manufacturer’s gross vehicle weight rating as follows:

27	Manufacturer’s Gross Weight	Fee
28	Rating (in Pounds)	
29	10,000 (or less) to 26,000	\$185.00
30	More than 26,000	\$550.00

31 (2) (i) The annual registration fee for a vehicle registered under
 32 this section that is used for any purpose other than that described in subsection (c) of
 33 this section shall be determined under subparagraph (ii) of this paragraph if the
 34 maximum gross weight of the vehicle or combination of vehicles:

1 1. Exceeds 18,000 pounds and the vehicle has a
2 manufacturer's gross weight rating of 26,000 pounds or less; or

3 2. Exceeds 35,000 pounds and the vehicle has a
4 manufacturer's gross weight rating of more than 26,000 pounds.

5 (ii) The annual registration fee shall be the greater of:

6 1. The fees set forth in paragraph (1) of this subsection;
7 or

8 2. The fees set forth in § 13-916(b) of this subtitle.

9 (e) Notwithstanding §§ 24-104.1, 24-108, and 24-109 of this article, a tow
10 truck registered under this section, while engaged in a tow, may move a vehicle or
11 vehicle combination on a highway for safety reasons if:

12 (1) The tow truck and the vehicle or vehicle combination being towed
13 comply with all applicable statutory weight and size restrictions under Title 24 of this
14 article when measured or weighed separately; and

15 (2) The vehicle or vehicle combination is being towed by the safest and
16 shortest practical route possible to the vehicle's destination.

17 (f) Notwithstanding any other provision of this section, while engaged in
18 towing, a tow truck registered under this section is subject to:

19 (1) Weight restrictions imposed on restricted bridges; and

20 (2) All applicable statutory weight and size restrictions under Title 24
21 of this article while being operated within the limits of Baltimore City, unless the
22 vehicle is being operated on an interstate highway.

23 (g) Except for tow trucks operated by dealers, automotive dismantlers and
24 recyclers, and scrap processors displaying special registration plates issued under this
25 title, the vehicle shall display a distinctive registration plate as authorized by the
26 Administration.

27 (h) A person who registers a tow truck under this section, **INCLUDING A**
28 **DEALER, AN AUTOMOTIVE DISMANTLER AND RECYCLER, OR A SCRAP**
29 **PROCESSOR WHO OPERATES A TOW TRUCK IN THIS STATE, or A PERSON WHO**
30 operates a tow truck in this State that is registered under the laws of another state,
31 shall:

1 (1) Obtain commercial liability insurance in the amount [of at least
2 \$100,000 per person, \$300,000 per occurrence bodily injury liability, and \$100,000 per
3 occurrence property damage liability] **REQUIRED BY FEDERAL LAW**; and

4 (2) Provide a federal employer identification number and, if applicable
5 to the tow truck under federal requirements:

6 (i) A U.S. Department of Transportation motor carrier number;
7 or

8 (ii) An Interstate Commerce Commission motor carrier
9 authority number.

10 (i) (1) Except as provided under paragraph (2) of this subsection, a person
11 may not operate a rollback in combination with a vehicle being towed unless the
12 rollback is registered as a tow truck.

13 (2) This subsection does not apply to a vehicle that is registered and
14 operated in accordance with § 13–621 or § 13–622 of this title.

15 (j) (1) This subsection applies only to a vehicle required to be registered
16 in the State.

17 (2) A person may not operate a tow truck for hire unless the tow truck
18 is registered under this section.

19 (3) **(I)** A person convicted of operating a tow truck in violation of
20 this subsection shall be subject to a fine [of up to] **NOT EXCEEDING \$3,000 OR**
21 **IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.**

22 **(II) A TOW TRUCK THAT IS IMPROPERLY REGISTERED OR**
23 **UNREGISTERED MAY BE IMPOUNDED.**

24 21–10A–01.

25 (a) In this subtitle, “parking lot” means a privately owned facility consisting
26 of 3 or more spaces for motor vehicle parking that is:

27 (1) Accessible to the general public; and

28 (2) Intended by the owner of the facility to be used primarily by the
29 owner’s customers, clientele, residents, lessees, or guests.

30 (b) (1) This subtitle applies only to the towing or removal of vehicles from
31 parking lots [in Baltimore City or Baltimore County].

1 (2) Nothing in this subtitle prevents a local authority from exercising
2 any power to adopt ordinances or regulations relating to the registration or licensing
3 of persons engaged in the parking, towing or removal, or impounding of vehicles.

4 (c) This subtitle does not apply to an abandoned vehicle as defined in §
5 25–201 of this article.

6 21–10A–02.

7 (a) The owner or operator of a parking lot or the owner’s or operator’s agent
8 may not have a vehicle towed or otherwise removed from the parking lot unless the
9 owner, operator, or agent has placed in conspicuous locations, as described in
10 subsection (b) of this section, signs that:

11 (1) Are at least 24 inches high and 30 inches wide;

12 (2) Are clearly visible to the driver of a motor vehicle entering or being
13 parked in the parking lot;

14 (3) State the location to which the vehicle will be towed or removed
15 **AND THE NAME OF THE TOWING COMPANY;**

16 (4) State [the hours during which the vehicle may be reclaimed] **THAT**
17 **STATE LAW REQUIRES THAT THE VEHICLE BE AVAILABLE FOR RECLAMATION 24**
18 **HOURS PER DAY, 7 DAYS PER WEEK;**

19 (5) State the maximum amount that the owner of the vehicle may be
20 charged for the towing or removal of the vehicle; and

21 (6) Provide the telephone number of a person who can be contacted to
22 arrange for the reclaiming of the vehicle by its owner or the owner’s agent.

23 (b) The signs described in subsection (a) of this section shall be placed to
24 provide at least 1 sign for every 7,500 square feet of parking space in the parking lot.

25 21–10A–03.

26 **(A) [A] SUBJECT TO SUBSECTION (B) OF THIS SECTION, A** vehicle may not
27 be towed or otherwise removed from a parking lot to a location that is more than [10]
28 **15** miles from the parking lot.

29 **(B) A LOCAL JURISDICTION MAY ESTABLISH A MAXIMUM DISTANCE**
30 **FROM A PARKING LOT TO A TOWED VEHICLE STORAGE FACILITY THAT IS**
31 **DIFFERENT THAN THAT ESTABLISHED UNDER SUBSECTION (A) OF THIS**
32 **SECTION.**

33 21–10A–04.

1 A person who undertakes the towing or removal of a vehicle from a parking lot:

2 (1) May not charge the owner of the vehicle or the owner's agent
3 **MORE THAN THE AMOUNT OF:**

4 (i) [More than twice the amount of the] **THE** total fees
5 normally charged or authorized by the political subdivision for the **PUBLIC SAFETY**
6 impound towing of vehicles; [and]

7 (ii) [Except as provided in] **NOTWITHSTANDING** § 16-207(f)(1)
8 of the Commercial Law Article, [more than \$8 per day for storage] **THE FEE**
9 **NORMALLY CHARGED OR AUTHORIZED BY THE POLITICAL SUBDIVISION FOR**
10 **THE DAILY STORAGE OF IMPOUNDED VEHICLES;**

11 (iii) **IF A POLITICAL SUBDIVISION DOES NOT ESTABLISH A**
12 **FEE LIMIT FOR THE PUBLIC SAFETY TOWING OR STORAGE OF IMPOUNDED**
13 **VEHICLES, \$400 FOR TOWING A VEHICLE AND \$35 PER DAY FOR VEHICLE**
14 **STORAGE; AND**

15 (iv) **FOR A VEHICLE WITH A GROSS VEHICLE WEIGHT**
16 **RATING OF 10,000 POUNDS OR LESS, \$1,200 FOR THE TOTAL OF ALL COSTS**
17 **RELATED TO VEHICLE TOWING AND STORAGE;**

18 (2) Shall notify the police department in the jurisdiction where the
19 parking lot is located within [two hours] **1 HOUR** after towing or removing the vehicle
20 from the parking lot, and shall provide the following information:

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

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

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

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

27 (3) Before towing or removing the vehicle, shall have authorization of
28 the parking lot owner which shall include:

29 (i) The name of the person authorizing the tow or removal;
30 [and]

31 (ii) A statement that the vehicle is being towed or removed at
32 the request of the parking lot owner; **AND**

1 **(III) PHOTOGRAPHIC EVIDENCE OF THE VIOLATION OR**
2 **EVENT THAT PRECIPITATED THE TOWING OF THE VEHICLE;**

3 (4) Shall obtain commercial liability insurance in the amount [of at
4 least \$20,000 per occurrence] **REQUIRED BY FEDERAL LAW** to cover the cost of any
5 damage to the vehicle resulting from the person's negligence;

6 (5) [Shall obtain a surety bond in the amount of \$20,000 to guarantee
7 payment of any liability incurred under this subtitle;

8 (6)] May not employ individuals, commonly referred to as "spotters",
9 whose primary task is to report the presence of unauthorized parked vehicles for the
10 purposes of towing or removal, and impounding; [and]

11 [(7)] **(6)** May not pay any remuneration to the owner of the parking
12 lot; **AND**

13 **(7) MAY NOT TOW A VEHICLE SOLELY FOR A VIOLATION OF**
14 **FAILURE TO DISPLAY A VALID CURRENT REGISTRATION UNDER § 13-411 OF**
15 **THIS ARTICLE UNTIL 72 HOURS AFTER A NOTICE OF VIOLATION IS PLACED ON**
16 **THE VEHICLE.**

17 21-10A-05.

18 **(A) [If] SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF** a vehicle is
19 **towed or otherwise removed from a parking lot, the person in possession of the vehicle**
20 **[shall]:**

21 (1) [Immediately] **SHALL IMMEDIATELY** deliver the vehicle directly
22 to [a] **THE** storage facility [customarily used by the person undertaking the towing or
23 removal of the vehicle] **STATED ON THE SIGNS POSTED IN ACCORDANCE WITH §**
24 **21-10A-02 OF THIS SUBTITLE; [and]**

25 (2) **MAY NOT MOVE THE TOWED VEHICLE FROM THAT STORAGE**
26 **FACILITY TO ANOTHER STORAGE FACILITY FOR AT LEAST 72 HOURS; AND**

27 (3) [Provide] **SHALL PROVIDE** the owner of the vehicle or the owner's
28 agent immediate and continuous opportunity, **24 HOURS PER DAY, 7 DAYS PER**
29 **WEEK**, from the time the vehicle was received at the storage facility, to retake
30 possession of the vehicle.

31 **(B) BEFORE A VEHICLE IS REMOVED FROM A PARKING LOT, A TOWER**
32 **WHO POSSESSES THE VEHICLE SHALL RELEASE THE VEHICLE TO THE OWNER OR**
33 **AN AGENT OF THE OWNER:**

1 **(1) IF THE OWNER OR AGENT REQUESTS THAT THE TOWER**
2 **RELEASE THE VEHICLE;**

3 **(2) IF THE VEHICLE CAN BE DRIVEN UNDER ITS OWN POWER;**

4 **(3) WHETHER OR NOT THE VEHICLE HAS BEEN LIFTED OFF THE**
5 **GROUND; AND**

6 **(4) IF THE OWNER OR AGENT PAYS A DROP FEE TO THE TOWER IN**
7 **AN AMOUNT NOT EXCEEDING 50% OF THE COST OF A FULL TOW.**

8 **(C) A STORAGE FACILITY THAT IS IN POSSESSION OF A TOWED VEHICLE**
9 **SHALL:**

10 **(1) ACCEPT PAYMENT FOR OUTSTANDING TOWING OR STORAGE**
11 **CHARGES BY AT LEAST TWO MAJOR, NATIONALLY RECOGNIZED CREDIT CARDS;**
12 **OR**

13 **(2) HAVE AN OPERABLE AUTOMATIC TELLER MACHINE**
14 **AVAILABLE ON THE PREMISES.**

15 21-10A-06.

16 Any person who undertakes the towing or removal of a vehicle from a parking
17 lot in violation of any provision of this subtitle:

18 (1) Shall be liable for actual damages sustained by any person as a
19 direct result of the violation; and

20 (2) Shall be liable to the vehicle owner, **A SECURED PARTY, AN**
21 **INSURER, OR A SUCCESSOR IN INTEREST** for triple the amount paid by the owner or
22 the owner's agent to retake possession of the vehicle.

23 27-101.

24 (a) It is a misdemeanor for any person to violate any of the provisions of the
25 Maryland Vehicle Law unless the violation:

26 (1) Is declared to be a felony by the Maryland Vehicle Law or by any
27 other law of this State; or

28 (2) Is punishable by a civil penalty under the applicable provision of
29 the Maryland Vehicle Law.

1 (b) Except as otherwise provided in this section, any person convicted of a
2 misdemeanor for the violation of any of the provisions of the Maryland Vehicle Law is
3 subject to a fine of not more than \$500.

4 (c) Any person who is convicted of a violation of any of the provisions of the
5 following sections of this article is subject to a fine of not more than \$500 or
6 imprisonment for not more than 2 months or both:

7 (1) § 12–301(e) or (f) (“Special identification cards: Unlawful use of
8 identification card prohibited”);

9 (2) § 14–102 (“Taking or driving vehicle without consent of owner”);

10 (3) § 14–104 (“Damaging or tampering with vehicle”);

11 (4) § 14–107 (“Removed, falsified, or unauthorized identification
12 number or registration card or plate”);

13 (5) § 14–110 (“Altered or forged documents and plates”);

14 (6) § 15–312 (“Dealers: Prohibited acts – Vehicle sales transactions”);

15 (7) § 15–313 (“Dealers: Prohibited acts – Advertising practices”);

16 (8) § 15–314 (“Dealers: Prohibited acts – Violation of licensing laws”);

17 (9) § 15–411 (“Vehicle salesmen: Prohibited acts”);

18 (10) § 15–502(c) (“Storage of certain vehicles by unlicensed persons
19 prohibited”);

20 (11) § 16–113(j) (“Violation of alcohol restriction”);

21 (12) § 16–301, except § 16–301(a) or (b) (“Unlawful use of license”);

22 (13) § 16–303(h) (“Licenses suspended under certain provisions of
23 Code”);

24 (14) § 16–303(i) (“Licenses suspended under certain provisions of the
25 traffic laws or regulations of another state”);

26 (15) § 18–106 (“Unauthorized use of rented motor vehicle”);

27 (16) § 20–103 (“Driver to remain at scene – Accidents resulting only in
28 damage to attended vehicle or property”);

29 (17) § 20–104 (“Duty to give information and render aid”);

1 (18) § 20–105 (“Duty on striking unattended vehicle or other property”);

2 (19) § 20–108 (“False reports prohibited”);

3 (20) § 21–206 (“Interference with traffic control devices or railroad
4 signs and signals”);

5 (21) As to a pedestrian in a marked crosswalk, § 21–502(a)
6 (“Pedestrians’ right-of-way in crosswalks: In general”), if the violation contributes to
7 an accident;

8 (22) As to another vehicle stopped at a marked crosswalk, § 21–502(c)
9 (“Passing of vehicle stopped for pedestrian prohibited”), if the violation contributes to
10 an accident;

11 (23) Except as provided in subsections (f) and (q) of this section, §
12 21–902(b) (“Driving while impaired by alcohol”);

13 (24) Except as provided in subsections (f) and (q) of this section, §
14 21–902(c) (“Driving while impaired by drugs or drugs and alcohol”);

15 (25) § 21–902.1 (“Driving within 12 hours after arrest”); [or]

16 (26) **TITLE 21, SUBTITLE 10A (“TOWING OR REMOVAL OF**
17 **VEHICLES FROM PARKING LOTS”); OR**

18 (27) § 27–107(d), (e), (f), or (g) (“Prohibited acts – Ignition interlock
19 systems”).

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2010.