

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 40

(Senator Muse)

Judicial Proceedings

Environment and Transportation

Vehicle Laws - Towed, Removed, or Abandoned Vehicles - Electronic Notice to Owner

This bill authorizes a person who tows or removes a vehicle from a parking lot and a police department that takes an abandoned vehicle into custody to send specified notices to a vehicle owner electronically through the Motor Vehicle Administration (MVA). MVA must adopt regulations to allow authorized electronic notifications to vehicle owners under the bill. The bill makes corresponding statutory changes to reflect the authorized electronic notices and alters requirements for an existing MVA database.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances, as discussed below.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Towing Services – Notices

Under current law, towing services are required to notify police (with specified information) within one hour of the tow or removal of the vehicle from the parking lot.

Also, the tower must provide notice by U.S. certified mail, return receipt requested, and first-class mail to the owner of the vehicle, as well as any secured party, and the insurer of record, within seven days of the vehicle's removal from a parking lot, not including days that the towing business is closed. The notice sent to any secured party or insurer of record may be electronic if that form of notice is agreed to by the tower and the secured party or insurer of record in writing or by electronic communication; the agreement to provide notice electronically remains in effect until terminated by either party.

The bill authorizes a tower to notify the owner of the vehicle electronically through MVA if (1) MVA sends the notice to the owner using the email address the owner provided to MVA, as shown in MVA's records and (2) the tower sends the owner a notice by certified mail, return receipt requested, and first class mail, if the owner does not respond within seven days after the electronic notice was sent by MVA.

Motor Vehicle Administration Database

Under current law, MVA must establish and maintain a database containing the proper address of an insurer for the certified mail, first-class mail, or electronic notice a person who tows or removes a vehicle from a parking lot must provide to the insurer of record.

Under the bill, the proper address MVA must maintain in its database is the proper address for the *electronic* notification of an insurer only.

Police Departments – Abandoned Vehicle Notices

Under current law, as soon as reasonably possible – but no more than seven days after it takes custody of an abandoned vehicle – a police department must send a notice containing specified information by U.S. certified mail, return receipt requested, to (1) the last known registered owner of the vehicle and (2) each secured party, as shown on the records of MVA. A police department may send notice to any secured party electronically, if that form of notice is agreed to by the police department, the tower, and the secured party in writing or by electronic communication.

The bill authorizes a police department to notify the last known registered owner of the vehicle electronically through MVA if (1) MVA sends the notice to the owner using the email address the owner provided to MVA, as shown in MVA's records and (2) the police department sends the owner a notice by certified mail, return receipt requested, and first class mail, if the owner does not respond within seven days after the electronic notice was sent by MVA.

Police Departments – Abandoned Vehicles – Notice by Publication

Under current law, a police department that takes an abandoned vehicle into custody must post a notice meeting specified requirements in the circuit court of the county where the vehicle was found if any of a list of specified conditions are met, including if the electronic notice the police department sent to a secured party is not acknowledged or is returned as undeliverable.

The bill also requires a police department to post a notice in the appropriate circuit court if the police department's electronic notice to the last known registered owner of an abandoned vehicle is not acknowledged or is returned as undeliverable.

State Fiscal Effect: MVA advises that implementation of the bill requires the administration to develop a web portal, similar to existing business portals, where a tower enters vehicle tag numbers and towing company information in order for MVA to send electronic notices to the vehicle's owner. MVA advises that it will charge a nominal fee to towers to completely offset costs of development and ongoing maintenance of the web portal/electronic notification service.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 191 (Delegate Foley) - Environment and Transportation.

Information Source(s): Anne Arundel, Baltimore, Cecil, and Frederick counties; Maryland Association of Counties; cities of Frederick and Havre de Grace; Maryland Municipal League; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2025
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