

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 577

(Senator James)

Judicial Proceedings

Vehicle Laws - Towing of Vehicles from Parking Lots - Civil Action for
Nonpayment

This bill authorizes a person in possession of a vehicle towed or otherwise removed from a privately owned parking lot to require the owner of the vehicle to present a valid government-issued photo identification card before retaking possession of the vehicle without payment. Additionally, the bill authorizes a storage facility to bring a civil action against a vehicle owner who retakes a vehicle without payment or withholds a credit card payment made to regain possession of the vehicle.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A *storage facility* in possession of a towed vehicle may bring a civil action to recover payment against a vehicle owner who retakes possession of a vehicle without payment or with a credit card payment that the vehicle owner subsequently withholds. A civil action may not be filed prior to 10 days after the release of a vehicle. If the court determines that the vehicle was validly towed, the court must award *the tower* (1) the amount validly charged for towing; (2) liquidated damages of two times the amount validly charged for towing the vehicle (but not more than \$1,000); (3) court costs; and (4) reasonable attorney's fees.

Current Law:

Towing and Removal of Vehicles from Parking Lots

A “parking lot” means a privately owned facility that consists of three or more spaces for motor vehicle parking that is (1) accessible to the general public and (2) intended by the owner of the facility to be used primarily by the owner’s customers, clientele, residents, lessees, or guests.

If a vehicle is towed or removed from a parking lot, the person in possession of the vehicle:

- must immediately deliver the vehicle directly to the storage facility stated on signs required to be posted at the parking lot;
- may not move the towed vehicle from the storage facility to another storage facility for at least 72 hours; and
- must provide the owner or the owner’s agent an immediate and continuous opportunity, at a minimum from 6 a.m. to midnight, seven days per week, to retake possession of the vehicle.

Before a vehicle – regardless of whether it is lifted or on the ground – is removed from a parking lot, a tower who possesses the vehicle must release it to the owner, or an agent, if the owner or agent requests the tower to do so. However, the vehicle must be able to be driven under its own power, and the owner or agent must pay a drop fee that is at most 50% of the cost of a full tow.

For purposes of inspection or retrieval of personal property not attached to the vehicle, a storage facility in possession of a towed vehicle must, under the supervision of the facility, make the vehicle available to the owner, the owner’s agent, the insurer of record, or a secured party.

Towing Charges, Acceptable Forms of Payment, and Required Notifications

Towing and daily storage rates are based on the limits set by the political subdivision for a public safety tow from which the vehicle was towed, or if no limit is established, no more than \$250 for towing and \$30 per day for storage. Towing services are required to notify police, the owner of the vehicle, any secured party, and the insurer of the vehicle about the towing of the vehicle, as specified in statute.

A storage facility in possession of a towed vehicle must accept cash or credit card payments for outstanding towing, recovery, or storage charges, as specified. Cash-only facilities must have an operable automatic teller machine (ATM) available on the premises. A storage facility must accept a personal check for payment of these charges if the facility is unable

to process a credit card payment and does not have an operable ATM on the premises. However, the facility may refuse to accept a personal check for payment if the credit card is declined.

Small Business Effect: The bill may have a meaningful effect on small business towers and storage facilities that are better able to recoup unpaid fees under the cause of action established under the bill and the damages, court costs, and attorney's fees recoverable under that cause of action. The bill may also have a deterrent effect on nonpayment of towing fees.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Municipal League; Judiciary (Administrative Office of the Courts); Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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me/aad

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