

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

Senate Bill 578

(Senator James)

Judicial Proceedings

Environment and Transportation

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**Public Safety - Department of State Police - Police-Initiated Towing - Alterations**

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This bill requires the Department of State Police (DSP) to establish approved rates for tow companies involved in police-initiated towing and recovery of light-duty vehicles (gross vehicle weight of 10,000 pounds or less). The bill further requires the Committee on Rate Setting and Complaint Resolution for Police-Initiated Light-Duty, Medium-Duty, and Heavy-Duty Towing and Recovery (as it is renamed under the bill) to (1) recommend approved rates for light-duty towing and recovery and (2) examine and report on insurance matters related to vehicles registered and insured outside the State and insurance matters related to cost and cleanup of cargo and debris.

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**Fiscal Summary**

**State Effect:** DSP can implement the bill with existing budgeted resources. Revenues are not materially affected.

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

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary/Current Law:**

*Police-initiated Towing – In General*

Under current law, “police-initiated towing” is defined as the towing or recovery of a commercial motor vehicle that was authorized, requested, or dispatched by DSP. The bill

removes the limited application to commercial vehicles. Under the bill, police-initiated towing applies to *all* vehicles for which towing or recovery was authorized, requested, or dispatched by DSP.

Current law defines “tow list” as the list of towing businesses authorized by DSP to perform police-initiated towing services of disabled or abandoned commercial vehicles within DSP’s jurisdiction. The bill does not alter this provision and retains its limited application to commercial vehicles.

#### *Department of State Police Requirements and Procedures for Police-initiated Towing*

Current law requires DSP, among other things, to establish and maintain a tow list, by county, of qualifying tow companies for police-initiated towing by DSP. DSP had to require a tow company on that list to ban the use of per pound billing by October 1, 2023. By January 1, 2024, DSP had to establish the approved rates for medium- and heavy-duty towing and recovery that may be charged by a tow company on the tow list. The bill removes the obsolete January 1, 2024 deadline and expands this provision to require DSP to establish approved rates for light-duty towing and recovery.

Under current law, a tow company may charge less than (but not more than) the approved rates. “Approved rates” are the maximum rates approved by DSP that apply to police-initiated towing and recovery services. The bill prohibits the approved rates for light-duty towing and recovery from exceeding 80% of the maximum approved rates for medium-duty towing and recovery charged by a tow company.

#### *Committee on Rate Setting and Complaint Resolution for Police-initiated Towing and Recovery*

Chapter 669 of 2023 established the Committee on Rate Setting and Complaint Resolution for Police-Initiated Medium-Duty and Heavy-Duty Towing and Recovery within DSP, which is responsible for recommending approved rates for police-initiated towing and recovery services (required to be done by December 1, 2023). The bill (1) renames the committee as the Committee on Rate Setting and Complaint Resolution for Police-Initiated Light-Duty, Medium-Duty, and Heavy-Duty Towing and Recovery; (2) expands the committee’s responsibilities to include recommending approved rates for police-initiated towing and recovery of light-duty vehicles; (3) specifies that the committee continues to be responsible for recommending approved rates for police-initiated towing and recovery of medium-duty and heavy-duty vehicles; and (4) repeals the obsolete deadline for rate recommendations.

Under current law and unchanged by the bill, the committee must also:

- meet at least once every three years to review and consider modification of the approved rates;
- request information and comments from other parties of interest to assist with its work;
- recommend to DSP a process for resolving towing complaints; and
- make any additional recommendations to DSP that the committee considers appropriate.

The bill further requires the committee to examine and report on (1) insurance matters related to vehicles registered and insured outside the State and (2) insurance matters related to cost and cleanup of cargo and debris.

**Small Business Effect:** The bill's provisions may have a meaningful impact on small business tow companies or small businesses that are the subject of police-initiated towing.

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### **Additional Information**

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

**Designated Cross File:** HB 30 (Delegates Foley and Odom) - Environment and Transportation.

**Information Source(s):** Department of State Police; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 5, 2026  
jg/aad Third Reader - March 30, 2026  
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