## **MEMO**



## Senate of Pennsylbania

January 18, 2011

TO:

**ALL SENATORS** 

FROM:

Stewart J. Greenleaf GLSONT

**SUBJECT:** 

Cosponsorship - Towing and Towing Storage Facility Standards

I am introducing legislation enacting the Towing and Towing Storage Facility Standards Act. The legislation establishes requirements that every tow truck operator and towing storage facility in Pennsylvania must comply with in performing towing and storage services.

When a motorist is involved in an accident they may not have the presence of mind to inquire about the costs and other related issues to the towing and storage of their motor vehicle. In an effort to protect unsuspecting consumers from unfair or deceptive practices for towing and storage services, this legislation requires tow truck operators and, where applicable, operators of towing storage facilities to conform to the following rules:

- 1) Maintain a physical street address; proper registration of a tow truck; display name, address and telephone number of its tow truck business on the tow truck; and post the towing fees and the storage and related service fees and hours of operations at the towing storage facility.
- 2) Provide the owner or operator of a vehicle, at the scene of an accident, with a notice containing the name, address and telephone number for a point of contact to be informed where the vehicle is to be stored.
- 3) Render towing at the scene of a motor vehicle accident only if summoned to the scene by the owner or operator of the motor vehicle or law enforcement personnel or authorized municipal personnel.
- 4) Shall not secure the signature of the owner or operator of the motor vehicle on a document which includes authorization to repair the vehicle or to authorize storage of the vehicle for more than 24 hours.
- 5) Shall not refuse, during posted hours of operation, to release a towed motor vehicle upon request from the vehicle owner or a person authorized by the owner to regain possession, unless law enforcement has requested that the vehicle be held. Release shall be conditioned on payment for towing, storage and related services. Payment may be made with cash, credit card from a common issuer or a check from an insurance company or authorized tower or salvor acting on behalf of the owner of the motor vehicle or insurance company.
- 6) Shall grant reasonable access to the towed vehicle during its posted hours of operation for the purpose of inspection and retrieval by law enforcement officials or authorized municipal personnel, the vehicle owner or a person authorized by the owner.
- 7) Shall not charge a storage fee for any period which the tow truck operator or towing storage facility refuses to allow reasonable access during posted normal business hours or has refused to allow inspection of the vehicle under inspection rights as authorized in the Vehicle Code (Title 75) and the Motor Vehicle Physical Damage Appraisers Act.

Any violation of this act shall be considered a violation under the Unfair Trade Practices and Consumer Protection Law. The measure supersedes local ordinances regarding towing and storage activities only in so far as it conflicts with this act. However, this act shall not supersede or otherwise cause interference with any federal or state criminal investigation or prosecution.

Insurance companies have experienced difficulty in accessing and retrieving towed motor vehicles on behalf of their clients. A typical example is an individual's car is towed - at the scene of an accident - by an unscrupulous tow truck operator who refuses to release the car to its owner or the owner's insurer without first requiring payment of outrageous towing and/or storage fees. Many times these towers rush to the scene of an accident and prey upon traumatized individuals just involved in an accident who unwittingly allow their cars to be towed by these operators. Of course, every day a car owner or an insurer balks at these charges is another day the storage charges go up.

There have been egregious examples where the tow truck operator puts a piece of paper in front of the motorist that authorizes the repairs to be done by a particular shop with which the tower is affiliated. There have also been cases where towers have had motorists sign documents which authorize repairs without the motorist realizing it. This bill will help to address these problems and provide consumers with the protection they both need and deserve from unfair/deceptive practices relating to towing and storage services.

The measure is supported by the Insurance Federation of Pennsylvania. The Office of Attorney General assisted with the drafting of the legislation.

This proposal is similar to Senate Bill 1143 which I introduced last session but with revisions clarifying that the bill applies to both towing operator and towing storage facilities. A definition of towing storage facility and requirement for proper registration of tow trucks has also been added. During the 2009-2010 legislative session, the Senate Consumer Protection and Professional Licensure Committee reported House Bill 2041, similar to Senate Bill 1143, from committee as amended. I am reintroducing House Bill 2041 as amended (PN 4278) by the committee.

If you would like to cosponsor this legislation, please contact Pat Snively of my office by emailing her at <u>psnively@pasen.gov</u>.