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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

Before the
Senate Committee on Transportation and Culture and the Arts
Senate Committee on Commerce and Consumer Protection
Tuesday, April 1, 2025
10:04 AM
Via Videoconference
Conference Room 229

On the following measure:
**S.C.R. 222/S.R. 197, URGING ALL TOWING COMPANIES TO HAVE AN ON-SITE
AUTOMATED TELLER MACHINE TO ENSURE ACCESSIBLE PAYMENT OPTIONS
FOR VEHICLE OWNERS**

Chairs Lee and Keohokalole and Members of the Committee:

My name is Melissa Enright, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department is in opposition to the resolution.

This resolution urges all towing companies to have an on-site automated teller machine. While OCP appreciates the spirit of the resolution, which is to provide consumers with convenient methods to pay for towing services, OCP has concerns about the unintended effects this resolution may have on consumers.

In 2024 the Legislature passed Act 60, which amended HRS § 290-11 to require towing companies to accept payment by cash, credit card, and debit card and prohibit

towing companies from directing individuals to use an onsite automated teller machine (ATM). This amendment was enacted to provide consumers with convenient payment methods, as OCP had received on-going complaints that towing companies refused to accept payment by credit and debit cards. In lieu of accepting those forms of payments, consumers were directed to on-site ATMs. Under current law, towing companies who do not consistently allow payment by credit and debit cards are in direct violation of consumer protection laws. A violation of any provision of HRS § 290-11 is deemed an unlawful or deceptive act or practice, which is punishable by fines not less than \$500 to a maximum of \$10,000. OCP is concerned that urging towing companies to install ATMs on premises may result in fewer towing companies accepting payment by credit and debit card.

In addition, OCP is concerned that the use of on-site ATMs may result in consumer harm. Individuals who use on-site ATMs may incur out-of-network fees or payment fees that exceed the amounts authorized by law.

Thank you for the opportunity to testify on this resolution.

SR-197

Submitted on: 3/30/2025 8:02:24 PM

Testimony for TCA on 4/1/2025 10:04:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Elliot Miles | Individual | Oppose | Written Testimony Only |

Comments:

Some of these towing people are crooks. I know I was the victim of one once. So, by requiring them to have an on-site ATM, all that does it allow them to extort more money from the victim by setting the ATM fee.