

STAND. COM. REP. NO. **3760**

Honolulu, Hawaii

JUL 02 2020

RE: H.B. No. 2162
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2162, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOWING,"

begs leave to report as follows:

The purpose and intent of this measure is to protect consumers from predatory towing practices by:

- (1) Clarifying the fees tow companies may charge;
- (2) Clarifying the duties of a tow company when the vehicle owner arrives on the scene while the vehicle is in the process of being hooked up;
- (3) Requiring tow and storage companies to accept credit cards;
- (4) Subjecting any violation of the towing statute to the penalties and remedies under the State's unfair or deceptive acts or practices law; and
- (5) Adding definitions for clarity.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, GEICO, and



one individual. Your Committee received testimony in opposition to this measure from Honolulu Towing, Inc.

Your Committee finds that predatory towing is a combination of generally unethical practices used by some towing companies to maximize their income. These practices include using spotters to get cars towed almost as soon as they are parked; charging excessive fees for towing or storage; or making private side deals with owners of stores or parking lots to maximize towing income. Your Committee further finds that any of these practices can result in unfair and excessive charges for the vehicle owner. This measure will clarify statutory requirements governing towing companies and strengthen protections for drivers in the State.

Your Committee has amended this measure by:

- (1) Adding to the definition of "vehicle owner" the insurance company that insures the vehicle and any person authorized to operate the vehicle pursuant to any other law;
- (2) Specifying that the registered owner is the last registered owner for purposes of consistency;
- (3) Including debit cards as an acceptable form of payment when paying the towing company;
- (4) Subjecting violations of the towing statute to penalties and remedies under the State's consumer protection law;
- (5) Inserting an effective date of October 1, 2020; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2162, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2162, H.D. 2, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary,

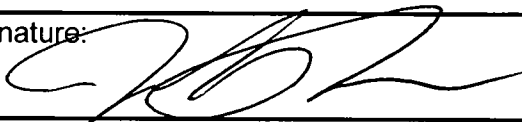
Karl Rhoads

KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

**Record of Votes
Committee on Judiciary
JDC**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2162 HD2	TRS/CPH, JDC	06/30/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike	/			
KIM, Donna Mercado	/			
FEVELLA, Kurt	/			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes