

STAND. COM. REP. NO.

2572

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 2639
S.D. 1

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

Sir:

Your Committees on Transportation and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2639 entitled:

"A BILL FOR AN ACT RELATING TO TOWING,"

beg leave to report as follows:

The purpose and intent of this measure is to combat predatory towing practices by clarifying existing statutes regulating the towing of abandoned vehicles by adding definitions, requiring tow and storage companies to accept credit cards, and including penalties consistent with unfair practices per chapter 480, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; GEICO Insurance Agency, Inc.; Young Progressives Demanding Action; and four individuals. Your Committees received comments on this measure from the Hawaii Insurers Council.

Your Committees find 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 Committees further find that any of these practices can

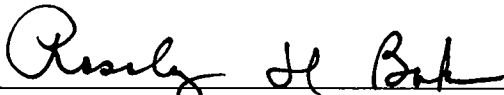


result in unfair and excessive charges for the vehicle owner. This measure will help curb predatory towing by adding definitions to the Hawaii Revised Statutes, requiring tow companies to accept credit cards, and include penalties consistent with chapter 480 of the Hawaii Revised Statutes. Your Committees further find that the measure as drafted would not apply to insurance companies who often represent their insured with respect to the tow companies. Accordingly, your Committees have amended this measure by:

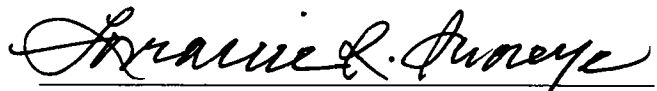
- (1) Adding language that allows an insurer to retrieve an insured's vehicle from a towing service;
- (2) Restoring language being proposed for deletion from section 29C-165.5(b), Hawaii Revised Statutes, in order to allow insurers to have a right of action against towing companies; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2639, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair

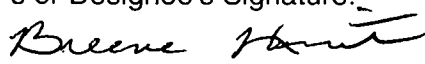


LORRAINE R. INOUE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:* SB2639	Committee Referral: TRS/CPH, JDC	Date: 2/7/20		
<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
INOUYE, Lorraine R. (C)	✓			
HARIMOTO, Breene (VC)	✓			
ENGLISH, J. Kalani				✓
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
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

