

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 1577
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1577, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE TOWING FEES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Change the fees that a towing company may charge to tow vehicles left unattended on private and public property;
- (2) Authorize a towing company or parking management company to charge a fee for the placement or removal of vehicle immobilization devices;
- (3) Require that a towing company that charges fees to tow vehicles left unattended on private and public property, or a towing company or parking management company that charges fees for the placement or removal of vehicle immobilization devices, to accept payment by the vehicle owner for charges by cash, credit card, and debit card and not direct an individual to use an on-site automated teller machine in lieu of accepting payment by credit card and debit card; and



- (4) Require a minimum period of twelve hours before the issuance of a violation or towing of a motor vehicle parked in a legal public stall, unless otherwise directed by law enforcement in the case of an emergency.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that in the near decade and a half since certain statutory tow rates for vehicles left unattended on private and public property were last amended by Act 269, Session Laws of Hawaii 2007, the cost of operating a business in the State has increased, including the costs of labor, fuel, insurance, and towing equipment. Your Committee further finds that the existing law governing the rates allowed per tow has not provided for the significant costs required to tow an overturned vehicle. Therefore, this measure will provide much needed assistance to the towing industry and ensure that the actual cost of a tow is reflected in the statutory rates allowed per tow.

Notwithstanding, your Committee has heard the concerns raised by the Department of the Attorney General that certain amendments made to this measure during the legislative process, if challenged, may not survive judicial scrutiny under article III, section 15, of the Hawaii State Constitution, as they appear to fall outside the scope of the original purposes of this measure as introduced, which is to authorize tow operators to charge an additional amount for overturned vehicles. Therefore, amendments to this measure are necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have:
 - (A) Changed the amount of maximum fees that towing companies may charge to tow vehicles left unattended on private and public property;



- (B) Authorized companies engaged in towing or parking management to charge for parking control or the placement or removal of any device upon a vehicle designed to immobilize the vehicle under certain conditions and establish a maximum fee amount; and
 - (C) Required a minimum period of twelve hours to pass before a company engaged in towing or parking management may issue a fine and commence a tow of the motor vehicle for any violation occurring in a legal parking stall open to the public, unless directed by law enforcement in the event of an emergency;
- (2) Inserting language authorizing tow companies to charge additional reasonable amounts to tow vehicles left unattended on private and public property if the tow involves an overturned vehicle; and
 - (3) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1577, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1577, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



J. KEOHOKALO, Chair



