



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

Before the
Senate Committee on Commerce and Consumer Protection
Senate Committee on Transportation and Culture and the Arts
Friday, February 7, 2024
9:45 AM
Via Videoconference
Conference Room 229

On the following measure:
S.B. 1272, RELATING TO TOWING

Chairs Keohokalole and Lee and Members of the Committees:

My name is Melissa Lam, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department offers comments on this bill.

Tow companies are regulated by state law, which sets how much they can charge for a regulated tow (§ 290-11, HRS), subject them to penalties for violations of consumer protection law (§ 480-2, HRS), describe how they must handle tows requested by the police for disabled motor vehicles (§ 291C-165.5, HRS) and require them to have adequate signage and insurance coverage for their tow trucks (§ 291C-135, HRS). Under existing state law, OCP is authorized to investigate and bring enforcement actions for violations of consumer protection laws committed by tow companies. In addition, each

county has the power to enact and enforce ordinances regulating towing operations (§ 46-1.5(27), HRS).

While the Legislature has adopted several measures to regulate towing companies and protect individuals from predatory practices, towing is an industry that generates numerous complaints to OCP. Owners whose vehicles are being towed are vulnerable to exploitation at the hands of the towing company, due to an inherent imbalance of power. Knowing that individuals need their vehicles back as soon as possible, unscrupulous towing companies may insist on cash payments or tack on illegitimate fees. The company is likely to offer terms on a take-it or leave-it basis, secure in the knowledge that very few vehicle owners are likely to pursue a dispute.

This bill would provide government oversight of the towing industry and afford additional protection for vehicle owners by requiring all towing companies to meet certain minimum standards in order to legally operate. The Towing Authority would have the ability to suspend, revoke or decline to review licenses for violating state towing laws.

The Department appreciates the bill's intent to regulate the towing industry and to provide minimum qualifications for towing companies. Nonetheless, the Department is of the position that the creation of the Towing Authority may benefit from a more in-depth study outside of the legislative session.

Section 3 of this bill seeks to amend HRS § 46-20.5. The Department recommends that the language should specify that the counties cannot enact an ordinance that provides less consumer protections than state law.

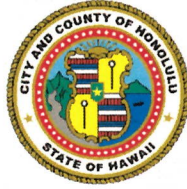
OCP is willing to work with the introducer and committee members to explore legislation that would incentivize towing companies to come into compliance with existing law.

Thank you for the opportunity to testify on this bill.

**OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU**

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February 6, 2025

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
and Members of the Senate Committee on Commerce and Consumer Protection
The Honorable Chris Lee, Chair
The Honorable Lorraine R. Inouye, Vice Chair
and Members of the Senate Committee on Transportation and Culture and the Arts
State Senate
415 South Beretania Street
Honolulu, Hawaii'i 96813

Dear Chairs Keohokalole and Lee, Vice Chairs Fukunaga and Inouye, and Members of the Committees:

Subject: SB 1272 – Relating to Towing

The City and County of Honolulu **supports** SB 1272 which would require towing truck operators to obtain a towing license and establish the Towing Authority within the Department of Transportation.

Over the years, the county has seen a surge of vehicles impeding public infrastructure and/or abandoned. As a result, there has also been an increase in towing companies entering the market. Unfortunately, a large number of these companies have done so without the resources to appropriately conduct business.

We recognize the need for towing options; however, we also recognize that these companies should meet certain requirements in order to conduct business in a way that does not negatively impact the rest of our community. As we work to develop new towing contracts, this bill would help to help ensure that whoever is awarded a contract will be able to fulfill their duties in a responsible manner, with minimal impacts to our residents.

Thank you for the opportunity to testify on this measure,

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Formby". The signature is stylized and includes a long horizontal line extending to the right.

Michael D. Formby
Managing Director Designate

LATE

SB-1272

Submitted on: 2/6/2025 8:11:28 PM

Testimony for TCA on 2/7/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
James Henriques	Testifying for The Tow Truck	Oppose	Written Testimony Only

Comments:

James Henriques

Next Level Enterprises LLC,

DBA The Tow Truck

PO Box 590, Eleele, HI 96705

dispatch@thetowtruckkauai.com

808-651-9641

February 6, 2025

Committee on Transportation

Hawaii State Legislature

415 South Beretania Street

Honolulu, HI 96813

Subject: Opposition to Senate Bill No. 1272 – Towing Regulations

I strongly oppose Senate Bill 1272, which seeks to establish a new towing authority and impose excessive licensing and regulatory burdens on towing operators in Hawaii. While consumer protection is important, this bill goes far beyond reasonable oversight, harming small businesses and introducing costly, unnecessary bureaucracy with no clear financial accountability.

Burdens on Small Businesses

The bill's licensing and compliance requirements are excessive, disproportionately affecting small towing businesses that already comply with county regulations. Additional costs for licensing, insurance, and facility upgrades will push smaller operators out of business, leaving only large corporations to dominate the industry.

Increased Costs and Unclear Fees

This bill creates a Towing Authority without detailing how much funding will be required or where the money will come from. If towing operators are expected to fund it through unspecified fees, it creates financial uncertainty that could make business operations unsustainable.

Unethical Political Maneuvering

SB 1272 sneaks in unrelated provisions affecting county-level powers, homelessness policies, and nonprofit exemptions—none of which belong in a towing bill. This kind of political nonsense undermines the bill's integrity and distracts from real industry concerns. If lawmakers want to address these issues, they should do it in a separate, transparent bill—not tack them onto towing regulations to push through their agenda.

Conclusion

Instead of creating another layer of costly bureaucracy, the Legislature should focus on enforcing existing county towing regulations and targeting actual predatory practices. SB 1272 is harmful, unnecessary, and a burden on small businesses—I urge the committee to reject it.

Sincerely,

James Henriques

Next Level Enterprises LLC,

DBA The Tow Truck

LATE

SB-1272

Submitted on: 2/6/2025 9:06:50 PM

Testimony for TCA on 2/7/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Roger Ridgley, Jr.	Testifying for A Tow In Paradise	Oppose	Written Testimony Only

Comments:

1 - I do not believe you need a license to be a towing operator but should obtain certification on various towing techniques.

2 - You have no dollar amount listed for the price of the towing license.

3 - You have no one in the state has a certification on the techniques of towing and recovery or on the specifications of the proper towing equipment to be able to license an individual for towing.

4 - There are additional other subject included in the SB1272 that have nothing to do with towing. Example, E, Establish and charge user fees.

5 - I am strongly against this bill. You need to have a meeting with the towing operators who have the experience to help you write a bill for the reasons intended.

6 - Need to put a notice in each county newspaper for a bill so important as this. I just found out through a friend 13 hours before the hearing tomorrow, Friday, 6/7.

LATE

SB-1272

Submitted on: 2/6/2025 6:40:15 PM

Testimony for TCA on 2/7/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
K. Tom	Individual	Oppose	Written Testimony Only

Comments:

I cannot support SB1272 due to it being vaguely worded and the tow license costs are open ended with no license fees specified. This bill, as written, is very far reaching and includes many other items which aren't directly related to towing operations.