OFFICE OF LEGISLATIVE RESEARCH PUBLIC ACT SUMMARY



PA 25-55—sHB 7162

Transportation Committee Appropriations Committee

AN ACT REFORMING THE MOTOR VEHICLE TOWING STATUTES

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SUMMARY: This act makes numerous changes to laws on nonconsensual towing and the abandoned vehicle disposal process. Some of the act's changes affect only towing authorized by a property owner or lessee without the vehicle owner's consent (private property tows), but some apply more broadly to all "nonconsensual towing," which is towing that occurs without the vehicle owner or operator's

consent whether ordered by private property owners or lessees, police officers, or traffic authorities. A section-by-section analysis of these provisions follows. EFFECTIVE DATE: October 1, 2025, unless otherwise noted below.

§§ 1, 2, 20 & 22 — PRIVATE PROPERTY TOWING

Modifies laws on towing from private property, including requiring (1) a written authorization form for each tow, (2) 14 days' notice before towing a vehicle solely for an expired registration, (3) 72 hours' notice for towing a vehicle solely for an expired residential parking facility permit, and (4) photo documentation of a vehicle before towing it; bans booting on private property

Overview

By law, private property owners and lessees may use a wrecker service (towing company) to have unauthorized vehicles towed from their property without the vehicle owner's or operator's consent. The act modifies the conditions under which they may do so and adds new conditions and requirements.

The act specifies that these provisions on towing from private property do not apply to (1) towing performed with the owner or operator's consent (i.e. consensual tows) or (2) motor vehicle repossession (except for the requirement to notify police, which applies under existing law). As under existing law, they also do not apply to authorized emergency vehicles.

Written Authorization

Prior law generally prohibited a vehicle from being towed from private property unless the property's owner or lessee, or their agent, expressly authorized the tow. The act instead requires property owners or lessees (or their agents) to sign, in writing or electronically, a written authorization form for each tow from their property.

Towing Companies as Agents. The act allows towing companies to act as property owners' or lessees' agents only if they execute a contract authorizing them to do so. Under such a contract, a towing company can sign the form, on the property owner's or lessee's behalf, for vehicles that are:

- 1. illegally parked in an accessible parking space for people with disabilities,
- 2. in an area reserved for authorized emergency vehicles,
- 3. within 10 feet of a fire hydrant,
- 4. blocking access to a building or a parking space on the property,
- 5. in or obstructing a vehicular traffic aisle, or
- 6. leaking fluid that presents a hazard or threat.

The act also allows a property owner, through such a contract, to permit a towing company to tow for violations of specific parking rules the owner or lessee establishes, as long as the parking rules are (1) listed in the contract and (2) intended to promote the convenience, safety, or welfare of vehicle operators on the property, preserve the property from abuse, or fairly distribute parking resources.

Form Contents. Under the act, property owners or lessees, or their agents, must provide the written authorization on a Department of Motor Vehicles (DMV)-

prescribed form and certify that its contents are true, to the best of their belief, by signing it under penalty of false statement. The form must include the following information:

- 1. the vehicle's make, model, vehicle identification number, and license plate number:
- 2. the reason for the tow;
- 3. the authorizing owner's, lessee's, or agent's name, job title, residential or business address, and phone number;
- 4. the date and time the authorization was given;
- 5. confirmation that any required signage was installed; and
- 6. if the towing company is acting as a property owner or lessee's agent to tow under an established parking rule, a copy of the portion of the contract listing the established parking rules for which a towing company is authorized to tow.

The act also requires towing companies to retain these written authorization forms for at least three years after the tow.

Vehicles With Expired Registrations

The act generally requires 14 days' notice before parking facility (including residential parking facility) owners and lessees, or their agents, may authorize towing a vehicle from the parking facility solely because the vehicle has an expired registration. The notice must be placed in a clearly visible spot on the vehicle's driver-side windshield and include the following information:

- 1. statements that the vehicle (a) has an expired registration and (b) will be towed from the parking facility without the owner's consent if it remains in or returns to the facility and still has an expired registration and
- 2. the time and date the (a) notice was affixed to the vehicle and (b) vehicle may be towed, which must be at least 14 days after the notice is placed on the vehicle.

Expired Parking Permits

The act requires 72 hours' notice before residential parking facility owners and lessees, or their agents, may authorize the towing of a vehicle at the parking facility solely due to an expired parking permit. The notice must be placed in a clearly visible spot on the vehicle's driver-side windshield and include the following information:

- 1. statements that the (a) vehicle's parking permit has expired and (b) vehicle will be towed from the complex without the owner's consent if it remains in or returns to the facility without a valid permit and
- 2. the time the (a) notice was affixed to the vehicle and (b) vehicle may be towed if it does not have a valid permit, which must be at least 72 hours after the notice is placed on the vehicle.

This provision does not apply to vehicles with temporary or visitor parking permits, as long as the permit clearly states when it expires.

Photo Documentation by Towing Companies

Before connecting a vehicle to a tow truck without the vehicle owner's or operator's consent, the act requires the towing company to take at least two photos of the vehicle with a high enough resolution to clearly show the reason for the tow and the vehicle's condition. Towing companies must retain these photos for at least three years after the tow.

Rebuttable Presumptions of Vehicle Damage or Improper Towing

Under the act, vehicle owners or operators (or their agents), lienholders, and insurance companies acting on the owner's behalf may ask for copies of the (1) written authorization form and (2) photos the act requires towing companies to take. Towing companies must provide these copies at no cost.

The act creates several rebuttable presumptions if a towing company fails to produce the written authorization or photos required. Specifically, it is a rebuttable presumption that the towing company:

- 1. did not have authorization from a property owner or lessee, if the towing company fails to produce a copy of the written authorization form;
- 2. damaged the vehicle, if the (a) towing company fails to produce the required photos documenting the vehicle's condition and (b) vehicle is damaged; and
- 3. towed the vehicle in violation of the laws on towing from private property, if the towing company does not produce a photo documenting the reason for the tow.

Release for Incomplete Tow and Drop Fee

Under the act, if a motor vehicle owner or operator returns before the vehicle is connected to the tow truck, a towing company must stop preparing the vehicle for towing and tell the person that he or she may move the vehicle or resolve the reason for the tow to avoid the tow and towing fee.

If a motor vehicle owner or operator returns after the vehicle is connected to the tow truck but before it is taken from the property, a towing company must stop and inform the person that the vehicle may be released upon payment of a drop fee, established by DMV (see § 7 below). The towing company must take payment in cash or by credit or debit card and immediately release the vehicle and provide a receipt upon payment. If the vehicle owner or operator does not pay the fee, the towing company must proceed with the tow but must give the owner or operator a copy of the towing consumer bill of rights (see § 5 below).

Notification to Police

By law, a towing company must notify the local police department within two hours after towing a vehicle from private property or for a repossession. The act specifies that the company may alternatively inform the resident state trooper serving the municipality and makes conforming changes to provisions requiring the

police, within 48 hours of receiving this notice, to take certain steps to determine whether the vehicle was reported stolen.

The act also requires towing companies to tell the local police department or resident state trooper (1) when and where the tow occurred and (2) where the vehicle is stored.

Booting on Private Property

Existing law and the act generally prohibit private property owners and lessees (other than private higher education institutions and secondary schools) from issuing parking citations to or imposing monetary sanctions on vehicles parked on their property. Prior law allowed them to render unauthorized vehicles immovable with a wheel locking device (i.e. "boot"), but the act bans this practice and eliminates related notification requirements and maximum removal fees for booting. As is the case under existing law for the parking ticket prohibition, private higher education institutions or secondary schools are exempt from the ban on booting under the act.

Penalty

As under existing law, a first offense of the above private property towing provisions is an infraction (see <u>Table on Penalties</u>) with a \$50 fine, and second or subsequent offenses are misdemeanors, subject to a fine of \$50 to \$100, up to 30 days in prison, or both.

§§ 1 & 3 — PARKING FACILITY SIGNAGE REQUIREMENTS

Extends towing signage requirements to all private parking facilities; modifies the signs' required contents and locations; requires parking facilities to post additional parking rules that may cause a vehicle to be towed

General Requirements

Prior law required conspicuous signs warning that unauthorized vehicles may be towed to be posted on private commercial properties before property owners or lessees, or their agents, could have unauthorized vehicles towed from there.

The act establishes new signage requirements that apply to all private parking facilities, rather than just private commercial property. "Parking facilities" are lots, garages, parking terminals, and other parking structures or accommodations located on private property, including those located at multifamily dwellings with five or more units, condominiums, or other common interest communities ("residential parking facilities"). (PA 25-159, § 62, specifies that these signage provisions do not apply to parking facilities located at multi-family dwellings with four or fewer units.)

It also (1) requires that signs be in place for at least 48 hours before a vehicle may be towed from the property and (2) specifically requires towing companies to verify that signage meeting the act's requirement, as described below, is present

before they tow a vehicle from a parking facility on a property owner's or lessee's behalf.

Sign Contents and Specifications

As under prior law, these signs must state that unauthorized vehicles may be towed and indicate any costs or fees that might be charged. The act additionally requires the signs to (1) bear the international towing symbol, (2) state that towing is at the owner's expense, and (3) be at least 12 inches long and 18 inches wide. The act eliminates prior law's requirement that the signs indicate where a towed vehicle will be stored and how it can be redeemed and instead requires the signs to include (1) the name, address, and phone number for the towing company that performs the towing or (2) a phone number that a motor vehicle owner or operator can call to locate their vehicle and get information on how to redeem it.

Sign Locations

Generally, the act requires these warning signs to be placed at the parking facility's entrances. But in cases where certain areas are restricted in an otherwise unrestricted parking facility, the signs must be placed either (1) on the right or left side of each entrance to a designated area or group of restricted parking spaces or (2) at the end of each restricted parking space so that the sign faces the front of the vehicle in the space. If the property owner or lessee, or their agent, imposes additional restrictions on individually signed spots, the signs must indicate that the space is reserved for a specific unit number, person, or type of person.

Parking Rules

In addition to the general parking facility signage requirements, the act requires parking facility owners or lessees, or their agents, to post conspicuous signs listing the violations that would cause a vehicle to be towed from the parking facility. Any rules must be to promote the convenience, safety, or welfare of drivers on the facility, preserve the facility from abuse, or fairly distribute parking resources.

Exceptions

Prior law made exceptions to the signage requirements, allowing property owners or lessees to have vehicles towed without installing signage if they were:

- 1. illegally parked in an accessible parking space for people with disabilities,
- 2. in an area reserved for authorized emergency vehicles,
- 3. within 10 feet of a fire hydrant, or
- 4. blocking building access or entry or exit from the property.

The act retains these exceptions and adds additional exceptions for vehicles (1) blocking access to reserved parking areas, (2) obstructing vehicular traffic aisles, (3) leaking fluid that presents a hazard or a threat, or (4) parked in an area not designated for parking.

Prior law allowed property owners or lessees to have an unauthorized vehicle towed without having installed signage if the vehicle was left for more than 48 hours. The act eliminates this exception and replaces it with one that allows towing without signage after 48 hours' notice. Under the act, parking facility owners or lessees, or their agents, may place a written notice on a vehicle stating (1) that the vehicle will be towed if it remains parked at the facility; (2) the time the notice was placed; and (3) the time the vehicle will be towed, which must be at least 48 hours after the notice is placed. The notice must be placed in a conspicuous location on the windshield near the driver's side. This exception does not apply to residential parking facilities (see below).

Penalties

As under prior law, a first offense of the signage requirement is an infraction with a \$50 fine, and second or subsequent offenses are misdemeanors, subject to a fine of \$50 to \$100, up to 30 days in prison, or both.

§ 4 — MUNICIPAL TOWING REGULATION

Explicitly allows municipalities to regulate motor vehicle towing, transporting, and storage by towing companies (except for consensual towing and repossession)

The act explicitly allows municipalities to regulate motor vehicle towing, transporting, and storage provided by towing companies (other than consensual towing or repossession) through ordinances enacted by their legislative bodies. Ordinances adopted under the act may regulate nonconsensual towing and parking facility and residential parking facility management, as long as they are not inconsistent with state law. The act specifies that if a vehicle is towed from one municipality to another, and both have towing ordinances, the ordinance for the municipality the vehicle was towed from applies.

EFFECTIVE DATE: Upon passage

§ 5 — TOWING BILL OF RIGHTS

Requires (1) DMV to develop a towing bill of rights, in consultation with the attorney general, and post it online and (2) towing companies to post the bill of rights and make copies available for distribution at their business as well as post it on their websites

By September 1, 2025, the act requires the DMV commissioner, in consultation with the attorney general, to develop a consumer bill of rights regarding towing ("towing bill of rights") in both English and Spanish and make it available for public dissemination.

The towing bill of rights must include at least the following:

- 1. a summary of a vehicle owner's or operator's rights and responsibilities if his or her vehicle is towed,
- 2. when a towing company must be available to redeem vehicles or personal property,

- 3. the towing and storage rates and other fees that towing companies may charge,
- 4. a description of the records and photos a vehicle owner or operator may request from the towing company,
- 5. a warning that towing companies may sell unclaimed towed vehicles under the law's vehicle disposal process (see below), and
- 6. information on filing a consumer complaint with DMV.

Starting October 1, 2025, the act requires DMV and the attorney general to include the towing bill of rights on their respective websites.

Under the act, starting October 1, 2025, towing companies must post the towing bill of rights at their places of business and make copies available to distribute to customers who visit there. If a towing company has a website, it must post the bill of rights on the website starting on the same date.

The act requires the commissioner, at a minimum, to revise the bill of rights each time he publishes a new rate schedule for private property trespass towing or police-ordered towing.

EFFECTIVE DATE: Upon passage

§§ 6-8 —TOWING RATES

Requires DMV to establish separate rate schedules for private property trespass towing and police-ordered towing instead of one schedule for all nonconsensual towing; modifies the process for setting rates; requires the rates to be reconsidered and potentially amended every three years

Overview

Prior law required the DMV commissioner to establish a schedule of uniform rates and charges ("rate schedule") for nonconsensual towing and transporting and for motor vehicle storage, and those rates had to be just and reasonable. The law did not specify the structure of the rate schedule, and the commissioner had discretion over which rates and charges to include. In practice, the commissioner set (1) a flat tow charge for light-duty vehicles, plus a mileage charge for transporting; (2) an hourly rate for medium- and heavy-duty towing, including any transporting; and (3) a schedule of storage charges based on vehicle length and the type of facility (e.g., whether it is inside or outside). The towing rates applied to all kinds of nonconsensual towing, including towing performed at accident scenes.

The act instead requires the commissioner to establish two rate schedules, one for private property trespass towing (i.e. nonconsensual tows from private property) and one for police-ordered towing. It also creates new processes for setting the schedules and requires DMV to adopt rates for vehicle storage, a drop fee, and an after-hours redemption fee.

Private Property Trespass Towing Rates, Storage Rates, and Drop and Afterhours Redemption Fees (§ 7)

Rates and Fees. The act requires the commissioner to establish the following rates and fees, which must take effect January 1, 2026:

- 1. flat rates for private property trespass towing of (a) light-duty vehicles, which have a gross vehicle weight rating (GVWR) of less than 10,000 pounds; (b) medium-duty vehicles, which have a GVWR of 10,000 pounds to 26,000 pounds; and (c) heavy-duty vehicles, which have a GVWR greater than 26,000 pounds;
- 2. a fee for additional labor;
- 3. a drop fee;
- 4. a mileage fee;
- 5. storage rates; and
- 6. an after-hours redemption fee.

Under the act, the flat towing rates include the first two miles of transportation the towing company performs. The act prohibits towing companies from charging a mileage fee for more than 13 additional miles for a private property trespass tow. The act also specifies that the storage rates and after-hours redemption fees apply to all nonconsensual towing, not just private property trespass towing.

Once the rate schedule is published, the act prohibits towing companies from charging more than the rates listed in the schedule or for services not included in the schedule.

Factors Considered in Rates. Under prior law, the commissioner had discretion over which factors he considered and incorporated into the rates and charges he set. The law specified that he could consider, among other things, the following factors when setting and amending the rates and charges: (1) the consumer price index (CPI), (2) rates set by other jurisdictions, (3) charges for towing and transportation services provided through automobile clubs, and (4) rates published in standard service manuals. DMV regulations also allow the commissioner to consider the towing and recovery industry's operating costs (Conn. Agencies Regs., § 14-63-36a). In a 2021 decision, the Appellate Court affirmed the commissioner's discretion to weigh these factors as he sees fit (see Background — DMV Commissioner's Discretion in Rate Setting: Towing & Recovery Professionals of Connecticut, Inc. v. Department of Motor Vehicles).

The act limits this discretion by (1) requiring that the rate schedule reflect the reasonable operating costs of towing companies that perform nonconsensual towing and storage; (2) requiring, rather than allowing, the commissioner to consider specified factors when setting the rates; and (3) modifying those factors.

Under the act, the commissioner must at least consider (1) the U.S. Department of Transportation's transportation producer price index; (2) rates set by other jurisdictions; and (3) the cost of fuel, wreckers, motor vehicle parts, equipment, personnel, workers' compensation insurance, unemployment compensation, and insurance premiums.

Rate Reconsideration and Adjustment. Under prior law, the commissioner had to reconsider the rate schedule upon a licensed towing company's petition (at most once every two years) and amend it if he determined, after considering the factors specified in law, that the rates were no longer just and reasonable. The act instead requires the commissioner to automatically reconsider the schedule every three years. The commissioner may amend the rate schedule if he determines that the rates are no longer just and reasonable or do not reflect the reasonable operating

costs for towing companies that do private property trespass towing. If he amends the schedule, it takes effect on the January 1 following the public hearing (see below).

Public Hearing. As under prior law, DMV must hold a public hearing to get information to establish the schedule. The act requires DMV to hold a public hearing for the initial rate schedule by November 1, 2025. The hearing for the first rate reconsideration must be held between July 1, 2028, and October 1, 2028, and then every three years after that.

Rates in Effect on October 1, 2025. The act specifies that the light duty towing and storage rates in effect on October 1, 2025, remain in effect through December 31, 2025, and towing companies cannot charge more than these rates during that time. The act establishes temporary rates for medium- and heavy-duty towing, which take effect starting July 1, 2025 (see § 10).

Police-Ordered Towing Rates (§ 8)

The act also requires the commissioner to establish a rate schedule for policeordered towing, which must include the following:

- 1. base hourly rates for towing (a) light-, medium-, and heavy-duty vehicles, and (b) oversize or overweight motor vehicles;
- 2. an hourly rate for winching vehicles located off the highway;
- 3. hourly rates for each type of specialized towing equipment not included in the base rate;
- 4. hourly rates for labor not included in the base rate; and
- 5. an administrative service charge.

The act requires DMV to specify the services and equipment included in the base rate. Once the rate schedule is published, it prohibits towing companies from charging more than the rates listed in the schedule or for services not included in the schedule.

Factors Considered in Rates. As is the case for the private property trespass towing schedule, the rates must be just and reasonable and reflect towing companies' operating costs. The act requires the commissioner, when setting rates, to at least consider (1) the transportation producer price index; (2) rates set by other jurisdictions; (3) rates for consensual towing; (4) the cost of equipment required to be on the State Police tow rotation list; and (5) workers' compensation insurance, unemployment compensation, and insurance premium costs.

Process. Under the act, the Police-Ordered Towing Council (see below) establishes an initial proposed schedule and submits it to the commissioner. Within 90 days after receiving the proposed schedule, DMV must hold a public hearing and establish and publish a rate schedule. If the commissioner amends the proposed schedule, he must provide a written statement.

EFFECTIVE DATE: October 1, 2025, except that the provisions on private property trespass towing rates are effective July 1, 2025.

Background — DMV Commissioner's Discretion in Rate Setting: Towing & Recovery Professionals of Connecticut, Inc. v. Department of Motor Vehicles

In 2018, DMV increased base towing rates and storage fees, generally reflecting the rise in the CPI since the last increase in 2007. In determining the increases, the hearing officer considered evidence from the towing industry on vehicle costs, real estate taxes, and workers' compensation, among other things, but decided to give more weight to factors listed in statute (namely, the CPI).

In response to DMV's 2018 decision, the Towing & Recovery Professionals of Connecticut filed an administrative appeal challenging the commissioner's consideration of statutory and regulatory factors and its weighing of evidence. When the appeal reached the Appellate Court, it held that, given the inclusion of the word "may," both the statute and regulation give the commissioner discretion to consider and weigh the factors that he sees fit (*Towing and Recovery Professionals of Connecticut, Inc.* v. *Department of Motor Vehicles*, 205 Conn. App. 368 (2021), cert. denied, 338 Conn. 910 (2021)).

§ 9 — POLICE-ORDERED TOWING COUNCIL

Establishes the Police-Ordered Towing Council and charges it with (1) advising the DMV commissioner on policies affecting police-ordered towing and (2) developing a proposed rate schedule for police-ordered towing, among other things

The act establishes a 12-member Police-Ordered Towing Council and charges it with (1) advising the DMV commissioner on policies affecting police-ordered towing and (2) developing a proposed rate schedule for police-ordered towing. It places the council within DMV for administrative purposes only.

Membership

Under the act, the council consists of the transportation, emergency services and public protection, energy and environmental protection, and insurance commissioners (or their designees), plus the following members appointed by the governor:

- 1. three representatives of an in-state organization representing towing and recovery professionals,
- 2. two representatives of an in-state organization representing the commercial trucking industry,
- 3. one representative from the insurance industry,
- 4. one representative of an association of police chiefs in the state, and
- 5. one representative of an association of fire chiefs in the state.

The act requires the governor to make appointments by August 1, 2025, and fill any vacancies within 30 days after they occur. Each appointed member serves for a three-year term and may serve until a successor is appointed. The governor must appoint the chairperson, and the chairperson must convene the first meeting by September 15, 2025.

Proposed Rate Schedule and Other Duties

The act requires the council, by January 1, 2026, to submit to the DMV commissioner a proposed police-ordered towing rate schedule. In developing the schedule, the council must consider the factors the act requires the DMV commissioner to consider when setting a rate schedule.

Between June 1, 2028, and September 1, 2028, and every three years after that, the council must review the rate schedule, consider adjustments, and submit any recommended adjustments to DMV. The council must also:

- 1. recommend specific procedures for determining whether a service performed by a towing company providing medium- and heavy-duty towing was required;
- 2. request information from other parties to assist with its work and, in its discretion, hold public hearings to get information; and
- 3. make additional recommendations to DMV as it deems appropriate.

EFFECTIVE DATE: July 1, 2025

§ 10 — TEMPORARY TOWING RATES

Starting July 1, 2025, establishes temporary rates for towing medium-duty, heavy-duty, and oversize or overweight vehicles and for the use of a rotator; allows towing companies to charge for equipment in their exceptional services charges

Hourly Rates

Starting July 1, 2025, the act overrides the existing DMV-established rate schedule for certain towing services and sets temporary rates that remain in effect until the DMV commissioner adopts new private property trespass towing and police-ordered towing rate schedules, as applicable, under the process the act establishes.

Under the act, the following maximum hourly rates may be charged for nonconsensual towing (including recovery), calculated according to DMV regulations:

- 1. for medium-duty vehicles, \$400 per hour (previously, the rate was \$240);
- 2. for heavy-duty vehicles, \$700 per hour (previously, the rate was \$390);
- 3. for oversize or overweight vehicles, \$1,500 (previously, the heavy-duty vehicle charge applied); and
- 4. for the use of a rotator, \$1,275 per hour (the prior rate schedule did not have a rate for a rotator).

The act defines a rotator as a wrecker (tow truck) that (1) consists of a rotating superstructure, adjusting boom, operating machinery, and one or more operator's stations mounted on a frame attached to a truck chassis and (2) has the ability to lift, lower, and swing loads.

Services Included in Hourly Rate. The act specifies that the hourly rate covers:

- 1. up to 15 minutes for services reasonably necessary to restore the towing site to its original condition, or to restore it as directed by a police officer, traffic authority, or local fire official;
- 2. up to 15 minutes for time the towing company spent at the site waiting to perform any portion of the nonconsensual towing due to an order of a police

officer or traffic authority;

- 3. hand tools, wrenches, sockets, and timbers, used in the towing or recovery of a motor vehicle;
- 4. air fittings and hoses used in towing or recovery under 100 feet;
- 5. disconnecting batteries;
- 6. pry bars, reflectors, wheel chocks or scotch blocks, up to two snatch blocks, cargo retraining straps, and chain and binders used in conjunction with wrecker cables; and
- 7. preparing a motor vehicle for towing.

DMV regulations list similar services included in "tow charges" (Conn. Agency Regs., § 14-63-36b).

Exceptional Services

In addition to base hourly rates, DMV regulations allow towing companies to charge for "exceptional services," which is using special equipment, such as cutting torches, air compressors, and other equipment not generally required for nonconsensual towing at accident scenes. DMV regulations require that these charges be itemized according to the company's posted hourly labor charge (Conn. Agency Regs., § 14-63-36c). Although the Appellate Court held in 2024 that this regulation does not allow exceptional service charges to include charges for equipment, the Supreme Court recently reversed this judgement (see *Background Exceptional Services: Modzelewski's Towing & Storage, Inc.* v. *DMV Commissioner*).

Under the act, the charge for exceptional services may include the hourly charge for labor and the use of equipment to perform the services, as long as the services are itemized, reasonable, and necessary to perform nonconsensual towing.

End Date

The act specifies that the provisions in this section expire when the DMV commissioner publishes a new police-ordered towing rate schedule. Presumably, this does not apply to the temporary rates, which expire when DMV publishes the private property trespass towing or police-ordered towing rates, as applicable. EFFECTIVE DATE: July 1, 2025

Background — Exceptional Services: Modzelewski's Towing & Storage, Inc. v. DMV Commissioner

In 2024, the Appellate Court considered a DMV hearing officer's decision to impose civil penalties on a towing company and order restitution for certain violations, including improperly charging for exceptional services by including an equipment charge. The court held that the regulations only permit charging for exceptional services according to the approved hourly labor charge, and there is no support in existing DMV regulations for a towing company to include an equipment charge in its rate for exceptional services. In September 2025, the Connecticut

Supreme Court concluded that the Appellate Court was incorrect in this determination and instead held that DMV regulations allow towing companies to charge fees for exceptional services based on the cost of special equipment used to provide the services (*Modzelewski's Towing & Storage, Inc.* v. *DMV Commissioner*, 353 Conn. 486 (2025)).

§ 11 — DEALER AND REPAIRER COMPLAINT PROCESS

Codifies provisions that are substantially similar to existing DMV regulations on investigations of consumer complaints against dealers and repairers; explicitly broadens the scope of violations the commissioner may investigate to include violations of towing laws

The act codifies provisions that are substantially similar to existing DMV regulations on investigations of consumer complaints against dealers and repairers (see Conn. Agencies Regs., §§ 14-63-45b & -45c). (By law, towing companies must have a dealers' or repairers' license.) It also broadens the scope of violations the commissioner may investigate to explicitly include violations of towing laws.

Among other things, the act codifies provisions that:

- 1. specify what must be included in a complaint, including a statement of facts accompanied by supporting evidence, like the written authorization to tow required under the act;
- 2. require DMV to notify the customer and the dealer or repairer, within 14 days after receiving the complaint, that the complaint was received, what matters it covers, and that it will be investigated;
- 3. specify the scope of DMV's investigation and the procedure for handling incomplete and unsubstantiated complaints; and
- 4. give DMV several options to resolve substantiated complaints, including mediation or an administrative hearing under the Uniform Administrative Procedure Act.

If DMV finds a towing company violated the laws, the act also specifically allows the DMV commissioner to recommend that the Department of Emergency Services and Public Protection remove a medium- or heavy-duty towing company from the State Police tow rotation list in addition to any enforcement action currently authorized (e.g., civil penalties and restitution orders).

The act also (1) eliminates a statutory provision that requires the DMV commissioner to retain unresolved complaints on a dealer or repairer's records until the dealer or repairer provides evidence satisfactory to the commissioner that the claim is resolved or no longer pending and (2) broadly allows the commissioner to adopt regulations to implement these provisions.

$\$ 12 & 27 — STORAGE AND RELEASE OF VEHICLES SUBJECT TO NONCONSENSUAL TOWING

Modifies laws on releasing towed vehicles, including by requiring towing companies to (1) respond to requests to redeem vehicles or personal property within four hours, (2) allow redemption of all personal property in a vehicle, (3) take credit and debit cards as payment, and (4) accept additional proof of ownership documents

Availability for Vehicle Redemption

The act repeals prior law on storing and releasing motor vehicles towed from private property and enacts new requirements that explicitly apply to all towing companies performing nonconsensual towing. As under prior law, the act requires the (1) companies to store towed vehicles at their business site in a secured lot and (2) site to be open from 8:00 a.m. to 5:00 p.m. Monday through Friday.

Prior law required that towing companies be reasonably available on weekends and holidays for vehicle redemption purposes. Under DMV regulations, a towing company must allow a vehicle owner, lending institution, or other authorized person to redeem a vehicle at any time if the towing company (1) performs or contracts to perform towing for compensation outside of its hours of operation or (2) advertises to the public it is available to tow outside of its hours of operation (Conn. Agencies Regs., § 14-63-37a). The towing company must release the vehicle within a reasonable amount of time after someone requests it, and a person is deemed to have made a request to release his or her vehicle by appearing at the business in person or by calling the towing company at its advertised phone number.

The act instead generally requires towing companies to allow vehicle owners or others they authorize to redeem their vehicle or personal property within four hours after making a request, if the request is not made during the towing companies' hours of operation. Towing companies must maintain an advertised phone number to take requests 24 hours a day to redeem vehicles and remove personal property. But the act specifies that lending institutions or people these institutions authorize may only redeem vehicles during towing companies' operating hours.

The act codifies the provision in regulations allowing towing companies to charge a fee for releasing a vehicle outside its hours of operation. Under the act, DMV must set a maximum amount for this fee (see § 7, above).

The act also specifically prohibits charging a storage fee for any day that a towing company does not make the vehicle available for redemption.

Access to Personal Property

Under existing law, towing companies have a lien on vehicles they tow for their towing and storage charges. The act specifies that towing companies do not have a lien on personal property stored in a vehicle subject to nonconsensual towing, and they must permit vehicle owners, or people the owners authorize, to access the vehicle and remove personal property during the towing company's hours of operation or, outside of these hours, within four hours after making a request to remove property. DMV regulations only required towing companies to allow retrieval of property essential to someone's health or welfare (Conn. Agencies Regs., § 14-63-37b).

Proof of Ownership

Under existing law, towing companies must release a vehicle towed from private property to its owner or another authorized person upon demand if the owner or other authorized person (1) presents proof of registration and (2) pays the towing and storage costs.

The act expands the documentation that an owner or authorized person (including, under the act, a lienholder) may provide to include a certificate of title, a bill of sale, a lease for the motor vehicle, or other reasonable proof of ownership. The towing company must release the vehicle even if the address on the documentation is different from the owner's or authorized person's current address.

Accepted Forms of Payment

The act requires towing companies to (1) accept payment for nonconsensual towing and storage charges by cash, credit card, and debit card and (2) keep sufficient cash at their offices to give change to a vehicle owner, or another authorized person, at the time of payment. If payment is made by a credit or debit card, the card holder must appear at the towing company's office and sign a receipt.

Right to Inspect and Itemized Receipt

Under existing law, vehicle owners and other authorized individuals have the right to inspect a vehicle towed from private property before redeeming the vehicle. Towing companies must give an itemized receipt to the person who paid the towing and storage costs and cannot require an owner or authorized person to sign a general release of liability. The act extends these provisions to all nonconsensual tows.

Penalties

Under the act, a first offense of these requirements is an infraction with a \$50 fine, and second or subsequent offenses are a class D misdemeanor (see <u>Table on Penalties</u>).

§§ 13 & 14 — VEHICLE DISPOSAL PROCESS

Modifies the vehicle disposal process, including by (1) extending the minimum time that garage owners must hold a vehicle before selling it to 30 or 60 days, depending on vehicle value; (2) requiring towers to send an additional notice of proposed sale to the vehicle owner and lienholder after receiving DMV approval; and (3) specifying a process by which vehicle proceeds escheat to the state

Applicability

Existing law establishes a process through which garage owners may sell or otherwise dispose of vehicles that remain unclaimed after being towed there, without the owner's consent, under direction from a property owner or lessee, police officers, or traffic authorities.

The act (1) makes a number of changes to the process; (2) specifies that the

process applies to vehicles subject to nonconsensual towing and abandoned vehicles ordered removed by a police officer, DMV inspector, or parking authority (this was generally the case under prior law); and (3) specifies that the garage owners subject to these requirements include towing companies.

Timeframe for Disposal

Prior law required garage owners, before they could sell an unclaimed vehicle, to hold it for at least (1) 15 days, if the vehicle's market value was \$1,500 or less, or (2) 45 days, if the vehicle's market value was more than \$1,500. The act extends the minimum amount of time they must hold it to 30 days and 60 days, respectively, but allows garage owners to start the process of selling (e.g., by submitting forms to vehicle owners and DMV) after 15 or 45 days, as applicable.

Under existing law, unchanged by the act, garage owners may not start this process if there is a pending hearing. (By law, hearings apply only to tows ordered by police or traffic authorities.)

Determining Vehicle Market Value

Under DMV regulations and agency practice, a vehicle's market value is its average trade-in value in the National Automobile Dealers Association (NADA) used car guide, eastern edition.

The act allows garage owners, when determining the vehicle's value, to deduct for an observed defect or a missing major component part (e.g., engine, hood, or fender).

Abandoned Vehicles

Under existing law, when police or traffic authorities order a tow of an abandoned vehicle, the police department or authority must notify the vehicle owner and any lienholders about the tow within 48 hours if the vehicle appears on DMV's records. The act additionally requires towing companies who take these vehicles into custody to make a reasonable effort to identify the vehicle owners and lienholders and send them the same notice.

Notice and Process for Disposal

Under existing law, if a vehicle remains unclaimed 48 hours after the tow, the towing company, or the appropriate state or municipal agency in the case of police-or traffic-authority ordered tows, must send a notice of tow to the owner and all lienholders on record. In order to sell or dispose of the vehicle, the act, as under prior law, requires garage owners to send notices to vehicle owners and lienholders at specified times and outlines the steps they must follow to sell or otherwise dispose of a vehicle.

The table below compares the process under prior law and the act. Additional information on some provisions is provided below.

Vehicle Disposal Process Under Prior Law vs. Act

Procedural Step	Prior Law	Act
Initiating process to sell stored vehicle (at least 15 days or 45 days after a tow, as applicable)	Garage owner initiated process to sell vehicle by sending "notice of intent to sell" to the owner and lienholder and providing a copy to DMV.	Garage owner must send the notice, which must include additional specified information on vehicle value and the vehicle disposal process (see below).
	Notice had to specify the vehicle's identifying information; the time, date, and place of its sale; and that any proceeds that exceed the garage's charges will be available to claim for one year after the sale date.	In addition to the information required under prior law, garage owners must include a copy of the towing bill of rights with the notice they give to the vehicle's owner and lienholder.
		Garage owners must also provide any other information DMV requires, such as photographs of the stored vehicle.
DMV approval of the sale	DMV had to approve the notice of intent to sell and, if approved, issue the garage owner an affidavit of compliance.	In addition to the requirements under prior law, DMV may send a copy of the notice of intent to sell electronically to the vehicle's owner or lienholder.
	DMV had to send an affidavit of compliance to the garage owner after approving the sale.	DMV must check for active consumer complaints from the vehicle owner before approving a sale and may not approve a sale or issue an affidavit of compliance if a related complaint is unresolved.
After receiving DMV approval to sell	Garage owner could sell vehicle once five days had passed since notifying the owner about the intent to sell.	Garage owner must instead send the vehicle owner and lienholder a notice of proposed sale with the date, time, and place of sale.
		Five days after this notice, the garage owner may sell the vehicle as long as at least 30 or 60 days, as applicable, have passed.
After selling	Within 15 days after selling, garage owner had to report the sale to DMV with the buyer's name and address, the sales price, and the amount of storing, towing, and repair charges.	In addition to reporting the sale to DMV, the garage owner generally must (1) mail any proceeds that exceed its charges to the vehicle owner (as described below) and (2) notify DMV that it did so.

Procedural Step	Prior Law	Act
	Garage owner had to hold any proceeds above what it was owed for towing charges at its place of business for a year to be claimed by the owner. If the owner did not claim them, they escheated to the state.	Proceeds unclaimed one year after the sale date continue to escheat to the state.

Notices of Intent to Sell and Proposed Sale

The act requires the notice of intent to sell to also include, in addition to the information required under prior law, (1) the vehicle's retail market value, as determined by the garage; (2) that the vehicle will be sold if it is not claimed in time and may still be claimed up until the point the vehicle is sold; and (3) that additional proceeds will be mailed after the sale. The act eliminates the requirement that this notice include the time, date, and place of the sale, but requires a new notice with this information later in the process (see below). The act also explicitly subjects notices of intent to sell that are filed with the commissioner to disclosure under the Freedom of Information Act.

The act requires garage owners to send a new, additional notice of proposed sale after receiving approval to sell from DMV. The garage owner may sell the vehicle five business days after sending the notice. But the act also specifies that garage owners may not sell the vehicle until at least five business days have passed since sending the notice of intent to sell.

Limitation on Storage Costs

Prior law authorized the DMV commissioner to limit the number of days of storage a garage owner could charge for beyond the initial 30 days (for vehicles valued \$1,500 or less) and 60 days (for vehicles valued over \$1,500). The act eliminates this authorization and instead limits storage charges after the initial 30 or 60 days, as applicable, to up to 10 days after a garage owner receives approval to sell the vehicle from DMV (i.e. the affidavit of compliance).

Distribution of Proceeds

As under prior law, the act requires garage owners to report the vehicle's sales price; storing, towing, and repair charges, if any; expenses related to the sale; any proceeds; and other information on the vehicle and the buyer to DMV within 15 days after the sale.

Under prior law, the garage owner had to hold any sale proceeds that remained after subtracting the amount due to the garage owner or an officer who put the vehicle into storage, and all the expenses related to the sale, and give the proceeds to the vehicle's owner or representative if claimed within one year from the sale. The act instead requires the garage owner to deposit the sale proceeds in an escrow account and pay them to the owner or his or her legal representative if they are

claimed within one year from the sale.

Under the act, as under prior law, if the vehicle sale proceeds are not claimed by an owner or a lienholder after one year, the proceeds escheat to the state. The act specifies that they escheat to the state as unclaimed property, and the garage owner is subject to applicable state law on escheats, including all obligations applicable to unclaimed property holders. Within 10 days after filing any required report and escheating any funds to the state, the garage owner must give the DMV commissioner evidence that the report has been submitted and the funds have escheated.

§ 15 — WORKING GROUP ON TOWED VEHICLE DISPOSAL PROCESS

Requires DMV to create a working group to study ways to improve the process for selling or disposing of unclaimed towed vehicles

The act requires the DMV commissioner, or his designee, to convene a working group to study the disposal process for unclaimed towed vehicles.

The working group must study at least the following:

- 1. alternative methods for selling unclaimed vehicles or disposing of them that (a) balance towing companies' interests in managing their storage sites with motor vehicle owners' interest and (b) ensure vehicles are sold as close as possible to fair market value;
- 2. issues concerning lienholders who do not redeem vehicles after inspecting them at the towing company's storage site;
- 3. alternatives to the statutory timeframes for unclaimed vehicle disposal and estimating vehicles' fair market value;
- 4. ways to modernize and improve the vehicle auction process, including legislative recommendations to do so; and
- 5. best practices in other states for unclaimed vehicle disposal.

The working group consists of the DMV commissioner, or his designee, plus the following members appointed by the commissioner: (1) two DMV employees, (2) three towing industry representatives, and (3) two consumer advocates. Initial appointments must be made by August 1, 2025, and any vacancies must be filled by the appointing authority. The act also allows the group to consult with any other agencies, officials, or interested parties that the group deems appropriate.

The commissioner (or his designee) serves as chairperson and must schedule the council's first meeting by September 1, 2025. DMV serves as administrative staff to the working group.

By February 1, 2026, the act requires the working group to submit a report on its findings to the Transportation Committee. The working group terminates when it submits its report or on February 1, 2026, whichever is later.

EFFECTIVE DATE: Upon passage

§§ 16, 19, 21, 25 & 27 — MINOR AND TECHNICAL CHANGES

Makes numerous minor, technical, and conforming changes throughout

The act makes numerous minor and technical changes in these sections and conforming changes throughout.

§§ 17 & 18 — STATE POLICE TOW ROTATION LIST AND VEHICLE OWNER'S CHOICE OF TOWING COMPANY

Requires, rather than allows, the State Police to establish a rotational system for summoning tow trucks within its patrol jurisdiction; requires police officers to give owners or operators of disabled vehicles the opportunity to choose a towing company

The act requires, rather than allows, the State Police to establish a rotational system for summoning tow trucks within its patrol jurisdiction (tow rotation list), which it already has done in practice.

The act codifies an existing State Police regulation giving owners and operators of disabled vehicles the opportunity to select a towing company. Under the act, as under existing regulations, if the vehicle owner or operator is on the scene and able to respond, the state police officer must ask if the owner or operator wants to choose a towing company. If he or she does want to, and the chosen towing company is on the tow rotation list, the officer must notify the chosen service. If the towing company does not answer or cannot respond within the timeframe established in regulation (30 minutes, or 20 minutes for limited-access highways), the officer must move on to the next towing company on the list (Conn. Agencies Regs., §§ 29-23a-5 & -7).

The act also similarly requires municipal police officers to ask whether owners and operators of disabled vehicles wish to select a towing company in cases where they are on the scene and able to respond. If the owner or operator selects a towing company and the company is on the municipality's tow rotation list (if it has one), the officer must notify the chosen company. If the towing company does not answer or cannot respond timely, as determined by the officer, the officer must either call the next towing company on the list or a towing company the officer selects.

§ 22 — RECORD RETENTION PERIOD

Increases towing companies' minimum record retention requirement from two to three years

Existing law requires towing companies to store various records pertaining to their business and the vehicles they tow. The act extends, from two to three years, the period of time towing companies must retain required records and make them available for inspection by law enforcement or DMV.

§§ 23 & 24 — CIVIL PENALTIES

Increases the maximum civil penalty DMV may impose for violations of dealer and repairer (including towing) laws from \$1,000 to \$5,000

The act increases, from \$1,000 to \$5,000, the maximum civil penalty that the DMV commissioner may impose on licensed dealers and repairers for violating the

dealer and repairer laws. By law, towing companies must hold a dealer's or repairer's license to be able to operate.

§ 26 — POLICE-ORDERED TOWING COUNCIL STUDY

Requires the Police-Ordered Towing Council to make recommendations on (1) the timeframe for filing complaints about nonconsensual towing and (2) charging for and resolving disputes over towing services provided by request of police, fire officials or traffic authorities

The act requires the Police-Ordered Towing Council to make recommendations on the following:

- 1. limiting the period of time a person has to file a complaint with DMV about nonconsensual towing;
- 2. ensuring towing companies may charge for equipment and labor specifically requested by a police officer, traffic authority, or fire official during the provision of a police-ordered tow; and
- 3. ways to document towing services that were requested and provided and to resolve related disputes.

The council must report its recommendations to the Transportation Committee by February 1, 2026.

EFFECTIVE DATE: July 1, 2025