
OLR Bill Analysis

sHB 5465

AN ACT CONCERNING THE TOWING AND STORAGE OF MOTOR VEHICLES.

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SUMMARY

This bill requires the Department of Motor Vehicles (DMV) to create an electronic towed vehicle portal and modifies laws related to wrecker services (towing companies), including those on towing rates, consumer complaints, notice requirements, and the unclaimed vehicle disposal process. It also creates a Towing Advisory Council to advise DMV on matters related to nonconsensual towing and the sale of unclaimed vehicles, among other things.

A section-by-section analysis follows.

EFFECTIVE DATE: October 1, 2026, except the Towing Advisory Council provision is effective July 1, 2026.

§§ 1 & 14 — ELECTRONIC TOWED VEHICLE PORTAL

Requires DMV to create and maintain an electronic portal on its website, available 24 hours a day, to provide information on vehicles subject to nonconsensual towing; sets design requirements; and generally requires towing companies to upload information on towed vehicles within 48 hours after the tow

Starting October 1, 2027, the bill requires DMV to create and maintain an electronic portal on its website, available 24 hours a day, to provide information on vehicles subject to nonconsensual towing. The portal's goal is to help the public figure out if their vehicle was towed, and if so, where it is stored. The bill specifies the portal provisions do not apply to consensual towing or to repossession.

Portal Design and Features

The bill requires the portal to be publicly accessible and searchable and prohibits it from requiring people to create an account to access the information. It must be easily operated and accessible, both when submitting and searching for information on towed and stored vehicles. When designing the portal, DMV must consult with the Towing Advisory Council the bill establishes (see below) to ensure the portal meets these goals. DMV must also consider whether the portal may be

used to allow towing companies to electronically file DMV forms and whether doing so may substitute for mailing them.

Uploading to the Portal

The bill requires towing companies and garage owners to upload information to the portal within 48 hours after the vehicle arrives on the lot. The portal must require submission of enough information to identify the vehicle, the towing company's or garage's identity and contact information, and any other information DMV requires. Towing companies and garage owners must also update the portal with changes in the vehicle's status, as DMV requires.

In the case of a vehicle towed without the driver present, the bill prohibits towing companies or garage owners from charging storage fees until information on the towed vehicle is uploaded to the portal. If a towing company uploads information on a vehicle subject to a private property trespass tow, the bill waives the requirement in existing law to notify the local police department about the tow within two hours. (Presumably, towing companies must upload information within this two hour timeframe for this waiver to apply.)

The bill prohibits DMV from imposing a civil penalty for violating the uploading requirements if the towing company or garage owner (1) failed to upload information due to a documented technological issue or a power outage and (2) uploads the information as soon as possible after the issue is resolved or power is restored.

§§ 2-4 — TOWING RATES

Modifies towing rates by (1) requiring DMV to establish a surcharge for police-ordered towing of EVs and a separate EV storage rate and (2) authorizing a flat rate for certain categories of light-duty police-ordered towing

By law, nonconsensual towing and storage rates are set by the DMV commissioner, with different processes for (1) vehicle storage rates and private property trespass towing rates and (2) police-ordered towing rates. In the latter case, the commissioner's rates are based on recommendations from the Police-Ordered Towing Council (POTC).

The bill modifies these rate setting processes by (1) requiring DMV to

establish a surcharge for police-ordered towing of EVs and a separate EV storage rate and (2) authorizing a flat rate for certain categories of light-duty police-ordered towing, under certain conditions. It also requires DMV to adopt addendums to the rate schedules currently in effect to reflect these changes.

Police-Ordered Towing Rates

EV Towing Surcharge. For the EV surcharge for police-ordered towing, the bill requires the POTC to submit a proposed addendum with a recommended flat surcharge for police-ordered towing of EVs by January 1, 2027. When recommending the surcharge, the POTC must consider the additional operational risks and protocols associated with towing and storing EVs.

For future rate schedules, the bill requires the POTC to include a flat surcharge for towing light-duty motor vehicles.

Flat Rate for Light-Duty Police-Ordered Towing. Under current law, police-ordered towing rates are hourly (as opposed to private property trespass tow rates, which are flat rates). The bill allows the POTC to recommend establishing a flat rate for light-duty motor vehicle towing that occurs because of a parking violation or any other reason the POTC deems reasonable.

When developing the proposed addendum for the EV surcharge, the bill requires the POTC to consider whether to recommend establishing this flat rate. If the council decides to recommend the flat rate, it must submit it to the commissioner with the proposed addendum by January 1, 2027. The POTC may also recommend this flat rate for future rate schedules, and, if it does so, DMV must include it in the future.

Adoption of Addendum. Under the bill, the DMV commissioner must adopt an addendum to the current police-ordered towing rate schedule. The addendum must establish a flat surcharge for police-ordered towing of EVs and may include, if recommended by the POTC, a flat rate for certain categories of light-duty police ordered towing.

The process for adopting the addendum largely mirrors that for

adopting the full rate schedule. Within 90 days after receiving the proposed addendum from the POTC, the commissioner must (1) hold a public hearing to get additional information and (2) adopt the addendum. When adopting the EV towing surcharge, he must consider the additional operational risks and protocols associated with towing EVs. If the commissioner modifies the POTC's proposal, he must give a written explanation as to why he did so.

Under the bill, the addendum is effective from the date DMV publishes it until December 31, 2028 (when the current rate schedule expires).

EV Storage Rate

By law, DMV sets storage rates for towed vehicles that apply to all vehicles subject to nonconsensual towing (both private property trespass towing and police-ordered towing). The bill requires DMV to establish a separate rate for storing EVs, both in future rate schedules and in an addendum to the current rate schedule.

The commissioner must adopt an addendum with a separate storage rate for EVs, taking into account the extra operational risks and protocols associated with their storage. As he must do with full rate schedules, the commissioner must hold a public hearing on the proposed rate to get more information. The addendum takes effect when it is published and stays in effect until December 31, 2028 (when the current rate schedule expires).

§ 3 — POLICE ORDERED TOWING COUNCIL MEMBERSHIP

Adds a consumer advocate to the POTC

By law, the POTC is charged with advising DMV on policies affecting police-ordered towing and developing proposed rate schedules for police-ordered towing.

The bill adds a consumer advocate to the POTC, increasing council membership from 12 to 13. As with other POTC appointees, the consumer advocate is appointed by the governor, who must make his initial appointment by October 15, 2026.

Under existing law, unchanged by the bill, the other members of the POTC are:

1. three representatives from towing and recovery organizations;
2. two representatives from commercial trucking organizations;
3. one representative from a police chiefs' association and one from a fire chiefs' association;
4. one representative of the insurance industry; and
5. the commissioners of insurance, transportation, energy and environmental protection, and emergency services and public protection (or their designees).

§ 5 — LIMITATION ON CONSUMER TOWING COMPLAINTS

Limits the timeframe for filing customer complaints about police-ordered towing to one year after the date the vehicle was towed

Under existing law, DMV receives, processes, and investigates customer complaints about licensed dealers and repairers. (By law, towing companies must be licensed as a dealer or repairer.) The bill limits the timeframe for filing this kind of complaint to one year after the date the vehicle was towed.

By law, these complaints are generally handled by DMV through proceedings governed by the Uniform Administrative Procedure Act.

§ 6 — NOTICE OF DMV CHANGES

Requires DMV to give 60 days' written or electronic notice to towers before implementing new internal policies, policy modifications, or form changes

The bill requires DMV to give towing companies who have a registered tow truck 60 days' written or electronic notice before implementing new or modified (1) internal policies or procedures affecting towing companies or (2) forms that DMV requires towing companies to use while operating their business.

§§ 7 & 8 — TRAFFIC INCIDENT MANAGEMENT (TIM) TRAINING

Requires towing companies on the state or municipal rotation lists to have their employees take DOT traffic incident management training within one year after hire

The bill requires owners of towing companies that are included in the State Police's rotational system for summoning wreckers (tow rotation list) or a municipal tow rotation list to take TIM training provided by DOT. And they must require their employees to take it within one year of hire.

In practice, DOT provides this training, for free, on a regular basis. It is targeted to emergency management professionals, law enforcement, fire and emergency medical services, towing and recovery professionals, and transportation and public works employees. It covers (1) responder safety, (2) safe, quick clearance practices, and (3) communication and coordination between all those responding to traffic incidents.

§§ 9, 10, 12 & 13 — UNCLAIMED VEHICLE DISPOSAL PROCESS

Modifies procedures for disposing of unclaimed vehicles, including (1) allowing garage owners to start the process 30 days after towing a vehicle, rather than after 15 or 45 days (depending on value); (2) requiring all vehicles to be initially offered at public auction; and (3) allowing vehicle owners to opt-out of future notices on a vehicle's sale

Timeframe for Disposal

Under current law, garage owners may start the process of selling an unclaimed vehicle (such as submitting required forms) after they have had it for (1) 15 days, if the vehicle's market value is \$1,500 or less, or (2) 45 days, if the vehicle's market value is more than \$1,500. But they must hold it for at least 30 days or 60 days, respectively, before they can complete the sale.

The bill instead allows garage owners to start the process of selling unclaimed vehicles after 30 days, regardless of value. It correspondingly eliminates requirements related to valuing unclaimed vehicles and the specific amount of time a garage owner must hold a vehicle before completing the sale. However, as under existing law, garage owners must still wait until they receive required documentation from DMV (like the affidavit of compliance) and complete all notice requirements and waiting periods (like the minimum five day waiting period after notifying the owner of the proposed sale) before selling the vehicle.

The bill also makes several technical and conforming changes.

Method of Sale

The bill requires all unclaimed vehicles, rather than just those valued at more than \$1,500, to initially be offered for sale at a public auction at the garage owner's place of business.

The bill also restores a provision eliminated in PA 25-55 allowing a garage owner to (1) set a minimum bid equal to the accumulated charges and obligations with respect to the tow and (2) sell or dispose of the vehicle if he or she does not receive this.

Notice of Intent to Sell and Notice of Proposed Sale

By law, garage owners must send to vehicle owners, lienholders, and DMV a (1) notice of intent to sell and (2) notice of proposed sale. The notice of intent to sell starts the disposal process, providing information on the process to owners and lienholders and acting as an application to get the DMV documentation (affidavit of compliance) needed to sell the vehicle. The notice of proposed sale informs owners and lienholders that the vehicle will be sold.

Owner Opt-Out. The bill (1) requires the notice of tow to state that the owner may opt-out of future notices about vehicle sale and disposal in the way DMV prescribes and (2) relieves garage owners of the responsibility to send the notices if the vehicle owner opts out.

Method of Mailing. Under current law, garage owners must send these notices by certified mail, return receipt requested. The bill additionally requires sending them through regular mail, postage prepaid.

§§ 10, 12 & 13 — NOTICE OF TOW REQUIREMENTS

Requires notices of tow to (1) include the towing bill of rights and a towing bill and (2) be sent by regular mail, in addition to certified mail as existing law requires

Under the bill, towing companies must include a copy of the towing bill of rights and an itemized towing bill in each notice of tow it mails to vehicle owners and lien holders. The towing bill must include (1) the towing charges for towing the vehicle and (2) the daily storage rate, with an explanation that storage charges will accumulate at that rate until the vehicle is redeemed.

The bill generally requires that these notices be mailed by regular mail, postage prepaid, in addition to certified mail as existing law requires. This applies to notices of tow sent by wreckers, as well as those police departments and parking authorities must send. Generally, for vehicles with known owners, these notices must be sent within 48 hours after the vehicle is towed or taken into custody.

Background — Towing Bill of Rights

By law, DMV and the attorney general must create and update a towing bill of rights with at least the following information:

1. a summary of a vehicle owner’s or operator’s rights and responsibilities if their 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, and
6. information on filing a consumer complaint with DMV.

§ 11 — TOWING ADVISORY COUNCIL

Creates a Towing Advisory Council to advise the commissioner on laws and best practices for motor vehicle towing and storage and the redemption and sale of unclaimed vehicles

The bill creates a Towing Advisory Council to advise DMV on laws, regulations, and best practices related to nonconsensual towing and towed vehicle storage, redemption, and sale. The council must evaluate ways to:

1. make sure vehicle owners get notified when their vehicles are towed,

2. improve owners' ability to redeem their towed vehicles, and
3. modernize and improve the process of selling vehicles at public auction, including (a) evaluating the feasibility of online auctions and third-party auctions and (b) recommending changes to the law.

The DMV commissioner (or his designee) serves as the council's chairperson, and he must appoint to the council (1) two DMV employees, (2) three representatives of the towing and recovery industry, and (3) two consumer advocates. Appointments must be made by August 1, 2026, and members serve for three year terms and until a successor is appointed. The commissioner must fill any vacancy within 30 days.

The chairperson must schedule the first meeting by September 1, 2026. The council may consult with any other agencies, officials, or interested parties the council deems appropriate to complete its work.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 31 Nay 4 (03/16/2026)