



State Representative
Ron Young
Sponsor Testimony for HB 341
Senate Transportation, Commerce and Labor Committee
November 15, 2016

Chairman LaRose, Vice Chair Manning, Ranking Member Cafaro, Members of the House State Government committee. Thank you for allowing me to bring before you Substitute House Bill 341. This bill intends to improve the towing laws in the State of Ohio and make some tweaks to the changes that were made in the last General Assembly.

The services that the tow industry provides are invaluable to commerce, safety, law enforcement, and recreation.

In exchange for the jobs towers perform the cost to the public is minimal. Just consider one aspect of their work, hooking and towing cars during an Ohio winter. Think about finding the location of a serious accident on Interstate 71 during a winter storm. Temperatures are often below zero and damaged and/or disabled vehicles are often sitting just out of the flow of traffic. In some cases a vehicle is even blocking a lane or two of traffic, while cars continue to flow in adjacent lanes. During times like these, with cars zipping by on frozen pavement, tow drivers are expected to climb under disabled and/or seriously damaged vehicles and properly attach their hook and chain. It is not surprising that about 60 tow truck drivers are killed in the United States each year¹. For these and many other reasons we must consider that while regulation is necessary we must be careful not to over regulate and perhaps punish rather than responsibly regulate those performing this important service. Without individuals willing to perform the task of towing and recovery of vehicles, Ohio's economy would suffer greatly. To keep our roads open, parking lots cleared, save stranded motorists, clear roads for safety services to operate, store vehicles and perform the myriad of other daily tasks performed by towing firms would be cost prohibitive to state government.

The bill makes the following changes:

1. Tow companies have not had an increase in their statutorily set tow-away zone towing and storage fees since the early 1990s. This bill directs the PUCO to establish maximum fees, within one year of the effective date of the bill, that may be charged and then review those fees every 5 years.
2. Tow companies and places of storage will also be permitted to charge an after-hours retrieval fee for the retrieval of personal items. These items do not include any personal items that have been determined by law enforcement to be necessary to a criminal investigation. If removing the personal item would endanger the safety of the owner, the owner must agree to sign a waiver of liability.

3. Under SB 274 of last session, if the court determines that the tow company commits any 3 violations, they would lose their towing license for 6 months, essentially putting them out of business. Some of these violations are very minor and not worthy of demanding the closure of a business operation. Forgetting to offer a receipt to a customer or not updating your list of tow charges on an office posting are not violations worthy of forcing Ohioans out of work. The bill would change the criteria for revoking the tow license to a tiered penalty system that would treat clerical errors as minor violations and property abuses as major violations. *(Please see the attached sheet for a detailed explanation of the penalty process.)*
4. A tow company or place of storage that under current law is able to use the affidavit process to obtain the title to a vehicle would be able to deduct the cost of the tow, and up to 60 days of storage fees from the value of that vehicle. 60 days is the current statutory time period that tow companies are required to hold the vehicle in order to complete the affidavit process. This process is only for vehicles with a value of less than \$4400.
5. Many times tow companies are stuck with junk cars because they are called upon by local law enforcement to clear a vehicle. In many cases, the current affidavit process does not apply. Under House Bill 341 tow companies will be authorized to acquire a title that is distinguished to be *for destruction only* in order to clear their lot of junk cars (vehicles with a value of under \$1500) when certain steps are followed. These steps include:
 - Send a certified letter to the last known address within 8 business days after the registrar provide the identity of the owner/lienholder.
 - Hold the vehicle for 30 days after they receive notice that the letter was received or undeliverable.
 - The vehicle must be apparently inoperable, and impossible to restore for highway operation.
6. Towing and Quick Clear Board, *(Please see the Attached Flow Chart from APTO)* A private individual can currently dispute a tow bill using the replevin process but the Insurance companies in Ohio have no legal standing to dispute the bill but they still have the responsibility to their customers to repair or replace their vehicle that was towed. The Board is made up of seven individuals, one representative from PUCO, one Representative from ODOT, one representative from ODPS, 2 towers, and two insurance providers (one who writes personal policies and one who writes commercial policies) The board meets at least once a year, and at the pleasure of the chair. Mr. Herf with Association of Professional Towers and Dean Fadel with the Ohio Insurance Institute were instrumental in crafting the details of this board. Mr. Herf will describe this in more detail during proponent testimony.

Towers perform a thankless but necessary job. Very few motorists want their car towed, regardless of whether or not they parked illegally. For a multitude of reasons, the nature of this industry does not easily lend itself to a positive image in the public's eye. However, they perform a critical role in the lives of all Ohioans. It is incumbent upon us that they be treated fairly and reasonably.

I wanted to recognize a few individuals who have worked tirelessly on positively impacting this legislation over the past year; Terry Fleming & Bob Mecklenborg and the Towers and Recovery Association of Ohio; Andy Herf and the Association of Professional Towers of Ohio; Dean Fadel and

the Ohio Insurance Institute; Kevin Baron and Nationwide Insurance; Joe Cannon and the Ohio Auto Dealers Association; and Steve Cuckler and the Ohio Independent Auto Dealers Association.

Sub HB341 was reported out of the House State Government Committee with unanimous support. It was voted out of the House with a vote of 92 – 4.

Thank you again for your attention. I look forward to answering any questions that you might have at this time.

ⁱ <http://www.dot.state.oh.us/Divisions/Operations/EmergencyOperations/Ohioquickclear/Pages/default.aspx>