

H.B. 172

Proponent Testimony

Good Morning,

My name is Jordan Davis, manager of Camcar Towing here in Columbus Ohio. I am a long standing member of the Towing and Recovery Association of Ohio and a former member of the Association of Professional Towing - Ohio.

The cost of complying with the current three letter notification process is more significant than it appears. In a high percentage of situations we are paying as much as 50 percent of our towing fees back out in notifications. A breakdown of these numbers clearly highlights our dilemma. We are currently permitted by law to charge \$129 per tow, we are required to send three letters to both the owner of the vehicle and the current lien holder. Assuming that there is only one lien holder then we must send a total of six letters plus the initial title search. The most popular third party administrator being used by Ohio Towing companies for notifications is currently charging \$7.95 for the title search and \$9.95 for each certified letter. One title search and six letters equals \$67.65 worth of notification out of a \$129 service. Most of the vehicles that we send three letters on are never paid for at all.

The negative impact on our small businesses goes beyond the financial implications that the current redundant three letter law creates. The process for filing for an abandoned vehicle title in which the current three letter regulation is a part of, requires that eight separate time frames be met for that application to be approved. If even one of those time frames is exceeded by a single day, then the application is denied and the Towing company has no other option than to start the very lengthy and costly process of filing for a court ordered title.

It is because of this over complicated and redundant notification process that multiple third party notification companies have become very successful in Ohio over the past few years. This sudden success reveals several unintended consequences that this regulation created.

1. Ohio towing companies are unable to perform this notification process by themselves and are forced to hire third party administrators to comply with the law.
2. The administrative fees from these third party companies add to an already burdensome cost of notification.
3. The Towing fees for these types of impounds are regulated by the P.U.C.O therefore we have no ability to increase our fees to the consumer to help offset the increased notification cost.

This very simple bill will reduce the excessive notification while still requiring a towing company to notify all interested parties by certified mail.