

1 HB643  
2 152195-1  
3 By Representative Williams (J)  
4 RFD: Commerce and Small Business  
5 First Read: 18-APR-13

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8 SYNOPSIS: Under existing law, there is no limit on the  
9 rates charged by towing companies to tow vehicles  
10 or to store vehicles that have been towed.

11 This bill would limit the rates charged by  
12 towing companies to tow and store vehicles under  
13 certain circumstances.

14 This bill would require a towing company  
15 operator to obtain approval of its towing and  
16 storage rates from the Department of Public Safety.

17 This bill would provide civil and criminal  
18 penalties for towing companies who charge excessive  
19 rates in violation of the act and who fail to  
20 obtain approval of towing and storage rates.

21 Amendment 621 of the Constitution of Alabama  
22 of 1901, now appearing as Section 111.05 of the  
23 Official Recompilation of the Constitution of  
24 Alabama of 1901, as amended, prohibits a general  
25 law whose purpose or effect would be to require a  
26 new or increased expenditure of local funds from  
27 becoming effective with regard to a local

1 governmental entity without enactment by a 2/3 vote  
2 unless: it comes within one of a number of  
3 specified exceptions; it is approved by the  
4 affected entity; or the Legislature appropriates  
5 funds, or provides a local source of revenue, to  
6 the entity for the purpose.

7 The purpose or effect of this bill would be  
8 to require a new or increased expenditure of local  
9 funds within the meaning of the amendment. However,  
10 the bill does not require approval of a local  
11 governmental entity or enactment by a 2/3 vote to  
12 become effective because it comes within one of the  
13 specified exceptions contained in the amendment.

14  
15 A BILL  
16 TO BE ENTITLED  
17 AN ACT  
18

19 Relating to towing companies; to limit the rates  
20 charged by towing companies to tow and store vehicles under  
21 certain circumstances; to require approval of towing rates by  
22 the Department of Public Safety; to provide civil and criminal  
23 penalties for violations; and in connection therewith would  
24 have as its purpose or effect the requirement of a new or  
25 increased expenditure of local funds within the meaning of  
26 Amendment 621 of the Constitution of Alabama of 1901, now

1 appearing as Section 111.05 of the Official ReCompilation of  
2 the Constitution of Alabama of 1901, as amended.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) For the purposes of this section, the  
5 following terms shall have the following meanings:

6 (1) MOTOR VEHICLE. Every vehicle intended primarily  
7 for use and operation on the public highways which is  
8 self-propelled.

9 (2) TOWING. The moving or removing from private  
10 property or from a storage facility by a motor vehicle of a  
11 consumer's motor vehicle that is damaged as a result of an  
12 accident or otherwise disabled, is recovered after being  
13 stolen, is parked illegally or otherwise without  
14 authorization, is parked during a time at which such parking  
15 is not permitted or otherwise parked without authorization, or  
16 the immobilization of or preparation for moving or removing of  
17 such motor vehicle, for which a service charge is made, either  
18 directly or indirectly.

19 (3) TOWING COMPANY. An individual or entity offering  
20 or performing towing services.

21 (b) A towing company may impose a charge of not more  
22 than one-half of the regular towing charge for the towing of a  
23 motor vehicle from private property at the request of the  
24 owner of the vehicle, the owner's agent, or the person in  
25 lawful possession of the vehicle if the owner of the vehicle  
26 or the vehicle owner's agent returns to the vehicle after the  
27 vehicle is coupled to the tow truck by means of a regular

1 hitch, coupling device, drawbar, portable dolly, or is lifted  
2 off the ground by means of a conventional trailer, and before  
3 it is removed from the private property. The regular towing  
4 charge may only be imposed after the vehicle has been removed  
5 from the private property and is in transit.

6 (c) A charge for towing or storage, or both, of a  
7 motor vehicle is excessive if the charge exceeds the greater  
8 of the following:

9 (1) The rate which would have been charged for that  
10 towing or storage, or both, made at the request of a law  
11 enforcement agency under an agreement between a towing company  
12 and the law enforcement agency that exercises primary  
13 jurisdiction where the private property is located and from  
14 which the motor vehicle was towed.

15 (2) The rate which would have been charged for that  
16 towing or storage, or both, under the rate approved for that  
17 towing company by the Department of Public Safety for the  
18 jurisdiction where the private property is located and from  
19 which the motor vehicle was towed.

20 (d) If a motor vehicle is released within 24 hours  
21 from the time the vehicle is brought into the storage  
22 facility, regardless of the calendar date, the storage charge  
23 shall be for only one day. Not more than one day's storage  
24 charge may be required for a vehicle released the same day  
25 that it is stored.

26 (e) If a request to release a vehicle is made and  
27 the appropriate fees are tendered and documentation

1 establishing that the person requesting release is entitled to  
2 possession of the motor vehicle, or is the owner's insurance  
3 representative, is presented within the initial 24 hours of  
4 storage, and the storage facility fails to comply with the  
5 request to release the vehicle or is not open for business  
6 during normal business hours, then only one day's storage  
7 charge may be required to be paid until after the first  
8 business day. A business day is any day in which the  
9 lienholder is open for business to the public for at least  
10 eight hours. If a request is made more than 24 hours after the  
11 vehicle is placed in storage, charges may be imposed on a full  
12 calendar day basis for each day, or part thereof, that the  
13 vehicle is in storage.

14 (f) A towing company operator shall annually submit  
15 its towing and storage rates to the Department of Public  
16 Safety for approval, and shall make available for inspection  
17 and copying his or her rate approved by the Department of  
18 Public Safety within 24 hours of a request by the Attorney  
19 General, district attorney, or city attorney.

20 (f) (1) A person who charges a vehicle owner a  
21 towing, service, or storage charge at an excessive rate, as  
22 described in subsection (b) or (c), is civilly liable to the  
23 vehicle owner for four times the amount charged.

24 (2) A person who knowingly charges a vehicle owner a  
25 towing, service, or storage charge at an excessive rate, as  
26 described in subsection (b) or (c), or who fails to obtain  
27 approval of a rate from the Department of Public Safety as

1 required in subsection (f), or to make available his or her  
2 rate as required in subsection (f), is guilty of a Class C  
3 misdemeanor.

4 (g) The Department of Public Safety may adopt rules  
5 for the implementation and administration of this act.

6 Section 2. Although this bill would have as its  
7 purpose or effect the requirement of a new or increased  
8 expenditure of local funds, the bill is excluded from further  
9 requirements and application under Amendment 621, now  
10 appearing as Section 111.05 of the Official Recompilation of  
11 the Constitution of Alabama of 1901, as amended, because the  
12 bill defines a new crime or amends the definition of an  
13 existing crime.

14 Section 3. This act shall become effective on the  
15 first day of the third month following its passage and  
16 approval by the Governor, or its otherwise becoming law.